

NEWS



CSU partners with wind industry giant

Cannon Power Group has strong record for successful projects Page 3

Loveland takes grant applications

Committee looks for projects to fund with lodging taxes Page 3



CEO compensation on rollercoaster

Pay, bonus packages for public company CEOs varied widely Page 4

THE EDGE 4G revolution will be televised

... and streamed and downloaded and seen from wherever you are Page 9

SPECIAL REPORTS

Banking & finance Demand for money for business growth still generally weak

LISTS Region's largest:

Page 17

Windsor & Laporte employers Page 8

Fort Collins employers Page 27

Northern Colorado July 16-29, 2010 Vol. 15, No. 20 www.ncbr.com

DOE loan guarantee boost for Abound

\$400 million to help solar panel maker scale up production

By Kristen Tatti

ktatti@ncbr.com

LOVELAND — Abound Solar recently received a major boost from the U.S. Department of Energy, without which the company would have little chance of progressing in the increasingly competitive solar panel market.

'This is certainly the best news in the short history of our company," said President and CEO Tom Tiller. It also boosts confidence in Abound as a going concern.

Tiller explained that without the \$400 million loan guarantee, Abound would probably never

have gained enough of a foothold in the industry to scale up to a competitive size.

While the loan guarantee is paramount to the company's future, it hasn't been the sole focus. In the first half of the year, Abound produced 10 megawatts

See ABOUND, 33



Balloon image courtesy KCNC-TV, Otterbox image courtesy Otterbox, Solar Panel image courtesy Colorado State University

NCBR celebrated first decade with new design, regional perspective

By Kate Hawthorne

khawthorne@ncbr.com

became the 265th Pope of the Catholic Church. Hurricanes Katrina and Rita ravaged the Gulf Coast of the United States. Saddam Hussein went on trial in Iraq.

And in Northern Colorado, Lots of things happened in the Little Business Newspaper 2005. Cardinal Joseph Ratzinger that Could celebrated its 10th anniversary.

> To mark the momentous occasion, in January the Northern Colorado Business Report debuted

new design, its first major makeover

See Then...and Now By Dawn Duncan Page 21 s i n c e

1995. It looked a lot like the current newspaper — though a little wider, a little taller, a little less colorful — and had been months in the making.

The actual 10th anniversary issue, published at the end of

See ICONS, 20

Health reform up in the air

By NCBR Staff

Health-care reform is a moving target. The Patient Protection and Affordable Care Act has only been law since March, and many of its provisions won't take effect for years. But both individuals and businesses need to factor the new regulations into their planning, so the Northern Colorado Business Report assembled a panel of experts to share their thoughts and interpretations of what is going on so far.

NCBR Health Care Reporter Steve Porter and Editor Kate Hawthorne

down on June with 17 Yvonne Myers, Health 5 Systems Director at

Columbine Health

Systems; Masoud Shirazi, benefit consultant with Shirazi & Associates; John Bender, M.D., Medical Director at Miramont Family Medicine in Fort Collins, chair of the Colorado Academy of Family Physicians and a member of the board of the Colorado Medical Society; and Blair Trautwein, a partner in the law firm of Wick

See ROUNDTABLE, 24



July 20, 2010 7:30 - 9:30 a.m. Embassy Suites -

Loveland



Register online NCBR.com. Click on events.

www.ncbr.com | July 16-29, 2010 2 | Northern Colorado Business Report

On the road to higher maintenance costs

Cities grapple with how to pay to keep streets in good repair

By Kristen Tatti

ktatti@ncbr.com

Northern Colorado's two largest municipalities are pondering how to pay to keep the asphalt from crumbling under the weight of ever-increasing traf-

Voters in Greeley and Fort Collins will likely see an item on November's ballots boosting funds for street maintenance. Details on what those measures might look like are still being hammered out, though both will likely revolve around extensions to or increases of certain sales taxes.

Fort Collins funds its street maintenance activities primarily from a quarter-cent sale tax approved in 2005, with varying amounts from the general fund. The sales tax isn't slated to sunset until 2015, but the allotment for the pavement management system has been falling off. This year it was \$7.1 million, down from \$9 million in 2008.

"We've been having to reduce some of the resource for our pavement management system over the last few years," said Diane Jones, assistant city manager. Much of the cut came from general fund

The city evaluates streets every three years using the industry standard Pavement Quality Index - a rating of zero to 100. The goal is to maintain a Level of Service B, which translates to a PQI range of 70 to 85. Fort Collins streets are currently at a PQI of 71, down three points from the previous assessment.

"We're right at the bottom now," said Larry Schneider, streets superintendent for Fort Collins. "If it drops again, we'll be at a Level of Service C.

About 16 percent of Fort Collins' streets are at a Level of Service D or F essentially failing. Schneider believed that without an increase in maintenance funding, 68 percent of the city's streets would reach that level by 2017.

An audit of Fort Collins' streets in 2007 showed that funding then was below the level needed to just maintain the quality at a B level. The gap between current funding and that recommended in the audit is between \$6 million and \$6.5 million.

Fort Collins City Council has reserved a spot on the ballot for some type of measure; exact language must be finalized by the Aug. 17 council meeting. Discussions have centered on an increased sales tax of up to 1 cent, most of which would go to road maintenance, with some siphoned off for parks, police

The city has hosted a number of public meetings addressing transportation

See ROADS 30

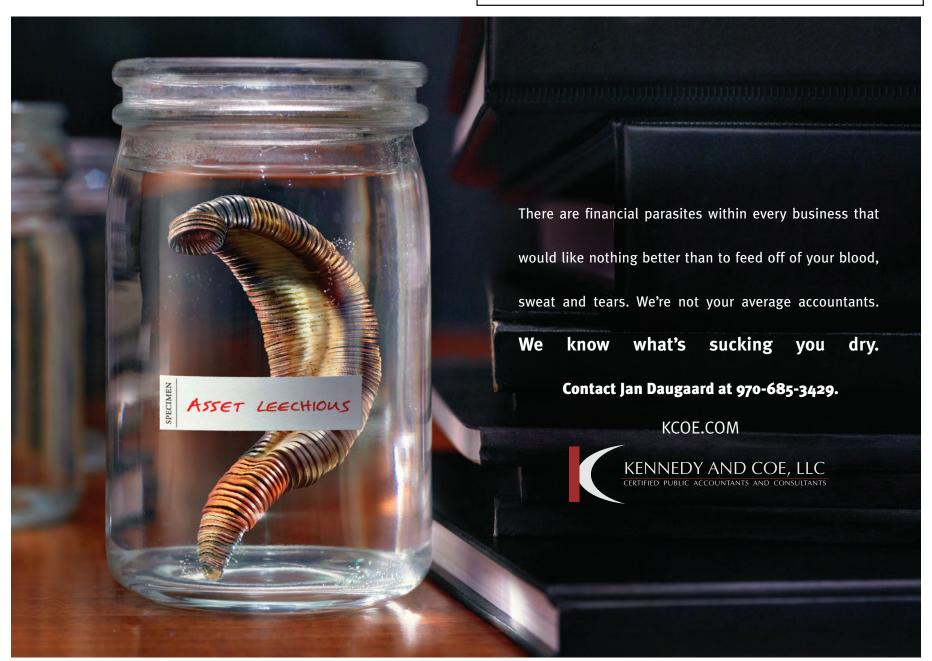


Excludes \$8.3 million in capital improvement plan funds that can be used for total road rebuilds

SOURCE: BUSINESS REPORT RESEARCH

Photo courtesy City of Greeley

Crews work on a 2009 overlay project on 23rd Avenue south of 16th Street in Greeley. The cost of an overlay can be 600 percent more than preventative maintenance, such as a chip seal. Of Northern Colorado's three largest cities, only Loveland funds street repairs through a fixed utility fee. Fort Collins and Greeley both rely on sales taxes.



Tribal elders can still kick out the jams

Why don't middle-aged folks hang out at rock 'n' roll bars on a Friday night, drinking cheap beer, enjoying the tunes of a wellrocked jukebox? Because somewhere along the way, society said they were too old for all that.

> But are they really? Bruce Brodeen and Jon

Bard say no way. The Fort Collins residents have started Rock and Roll Tribe an online social network for anyone who thinks saying goodbye to your 20s doesn't mean having to say goodbye to rock 'n' roll.

Learn about The Tribe, read "The Kick-Ass Grownup Manifesto," get some pointers on how to raise a rock-and-roll kid, and become a member for free at www.rockandrolltribe .com. Joining the Tribe is critical because only members can:

- create user groups,
- start a blog,
- participate in discussions,
- instant message other members.
- video and text chat,
- embed music and videos, and
- access "millions" of songs and videos.

It's not quite "getting the band back together," but it's never again playing The

Ramones alone in your basement, either. Or another way to think about it: Facebook without the embarrassment of running into your kids and their horrible taste in music.

INSIDE Arts**7** Briefcase10 Commentary36 On The Job**15**

Loveland takes grant applications

Committee looks for projects to fund with lodging taxes

By Steve Porter

sporter@ncbr.com

LOVELAND — Contrary to what some might believe, Loveland is not a ski resort.

Sharing a name with the popular Loveland Ski Area near the Eisenhower Tunnel on Interstate 70 has confused more than one would-be city visitor.

Locals agree Loveland has a place recognition problem, but it's one that may eventually be overcome with the help of a new lodging tax funding projects to promote the city.

"The brand awareness of Loveland and knowing what we have to offer is lacking."

Brian Willms, president Loveland Chamber of Commerce

That's the hope of those on the Community Marketing Commission, set up earlier this year to channel a projected \$400,000 annually in proceeds from the 3 percent lodging tax, approved by city voters

by a 58-to-42 percent margin in November. The tax went into effect on Jan. 1.

Grants funded by the tax are available to businesses and organizations that have ideas to raise the city's profile among tourists and business convention bookers to generate new economic growth. The grants can fund up to 35 percent of a project's budget, and applications became available July 1.

The CMC will review applications — due by Aug. 20 — and make recommendations to the Loveland City Council, which will make the final funding decisions in the fall.

Rich Harter, former director of the Fort Collins Convention and Visitors' Bureau, is chair of the seven-member CMC, which includes two alternates. Harter said the CMC was selected by a committee that

See LOVELAND, 38

F O C U S

CSU partners with wind industry big shot



Courtesy Cannon Power Group

ONE OF THE BIGGEST - Cannon Power Group sold the first phase of its Windy Flats/Windy Point project along the Columbia River in Washington last year to the Tuolumne Wind Project Authority in California. The \$1.2 billion project, which stretches along 26 contiguous miles of ridgeline, will generate 500 MW of power.

Cannon Power Group has strong record for successful projects

By Steve Porter

sporter@ncbr.com

DEL MAR, Calif. — When it comes to developing monstrous wind farms around the world, Cannon Power Group has few

The 30-year-old company has been putting together deals on wind energy developments from Croatia to India along with numerous projects in Washington and California, and is poised to begin work on a 1,000gigantic megawatt wind farm in Mexico's Baja California within the next year.

With all of that going HARDKE on, Cannon has one more, much smaller

project in its crosshairs: Colorado State University's proposed 100-MW Maxwell Ranch wind farm about 20 miles north of Fort Collins.

Gary Hardke, CPG's president and managing director, said the Maxwell

Ranch project is a respectable size. "Up until the last four or five years, the average wind project was around 50 MW," he said. "It's only been in recent years that projects have really gotten big. There's nothing wrong with a good 100-megawatt project, and we've done quite a few of those."

Cannon Power Group signed a lease agreement with Colorado State University Research Foundation in June to design and develop the project on about 8,000 acres owned by CSU. The university's former development partner, Wyomingbased Wind Holding LLC, defaulted on its contract when it couldn't secure the esti-

See CSU, 22

www.ncbr.com | July 16-29, 2010 4 | Northern Colorado Business Report



WE ARE THE TALK OF NORTHERN COLORADO.

600K

Wall Street Journal 5 AM - 6 AM This Morning 600 KCOL Mornings 6 AM - 10 AM with Gail Fallen Rush Limbaugh 10 AM - 1 PM Sean Hannity 1 PM - 4 PM Glenn Beck 4 PM - 7 PM John Gibson 7 PM - 10 PM Coast to Coast AM 10 PM - 5 AM

OPINIONS WANTED. CONTRIBUTE BY LISTENING.

Hatfield, Venus join NCBR's sales team

By NCBR Staff

The Northern Colorado Business Report has added two new members to its sales team.

Janet Hatfield comes to her position as an NCBR account executive from the Fort Collins Coloradoan, where she spent

seven years selling in the employment and health-care territories. She comes by her newspaper expertise naturally, as her mother and stepfather met while editing for the Oklahoma City Oklahoman.



Prior to joining the Coloradoan, Hatfield owned Brusard's Cajun restaurant in Loveland, and has managed a number of other eateries throughout Northern Colorado

She will be working with NCBR advertising clients in a wide range of industries, including technology, automotive and green business, offering opportunities both in print and online.

"I think of myself as a consultant rather than 'just a salesperson,'" Hatfield said. "I like to be a part of a team, helping clients make the right decisions for their businesses to be a success."

Michelle Venus is NCBR's new advertising project manager. She was most recently Goddess of New

B u s i n e s s Development for Toolbox Creative in Fort Collins, but has also used her divine skills to run her own marketing consulting business, Michelle Venus Associates, also based in Fort Collins. **VENUS**



Originally from New Jersey, Venus lived for 13 years in Manhattan, while she worked for several film and video production and postproduction companies, interacting with ad agencies and their clients from Boston to Atlanta.

She will be supporting both the sales and marketing efforts at NCBR. An accomplished copywriter, she will be involved in creating and marketing custom publishing projects for clients as well as participating in the Business Report's many events.

"I look forward to being able to use all my skills as part of the NCBR team," Venus said.



970.221.5400 www.NCBR.com Northern Colorado BUSINESS

September 16 | Sponsorships available

RECTI

The June 18 Business Report story about surgical centers contained an error. The Medicare reimbursement rate for a colonoscopy performed in a surgical center in Northern Colorado \$386.56. What each facility charges for such a procedure can vary and is determined by the management of the individual center.

The Business Report will correct any errors that appear in its pages. To suggest a correction or clarification, please contact editor Kate Hawthorne at 970-221-5400, ext. 212, or e-mail her at khawthorne@ncbr.com.

To Subscribe or Advertise, call 800-440-3506

Volume 15, Number 21 Copyright 2010. The Northern Colorado Business Report Inc. Reproduction or use of editorial or graphic content without written permission is prohibited.

The Northern Colorado Business Report (ISSN 1094-8198) is published biweekly, with an extra issue in December, by The Northern Colorado Business Report Inc., a Colorado corporation, 141 S. College Ave., Fort Collins, CO 80524. Periodical postage paid at Fort Collins and additional offices.

Subscriptions are \$49.97. International subscriptions are \$175.00.

POSTMASTER: Send change-of-address notices to: The Northern Colorado Business Report, Post Office Box 1399, Fort Collins, CO 80522. 970-221-5400 • 800-440-3506 • Fax: 970-221-5432 E-mail: editor@ncbr.com • www.ncbr.com

Executive compensation on rollercoaster

Pay, bonus packages for public company CEOs varied widely

By Kristen Tatti

ktatti@ncbr.com

While chief executives at public companies throughout the nation saw a decline in their pay packages in 2009, changes for Northern Colorado's CEOs varied as much as their strength through the recession.

An analysis by executive compensation research firm Equilar found that the median total compensation for S&P 500 CEOs was \$1.86 million, down 5.4 percent from 2008. Only one Northern Colorado CEO, Woodward Governor Co.'s Tom Gendron, surpassed that

mark. total compensation package of

\$2.2 million, including salary, bonuses and options, saw a year-over-year decline of 22.7 percent but was still the highest among four reporting public companies headquartered in the region.

Woodward reported revenues of \$1.43 billion and income of \$94.35 million for its 2009 fiscal year, which ended on Sept. 30. Compared to 2008, revenue was up 13.6 percent, with the acquisition of HR Textron finalized in April 2009, while net income declined 22.5 percent.

The company started its 2009 fiscal year with a stock price of \$33.49, not bad considering the general market plunge that followed the Sept. 15, 2008, bankruptcy of Lehman Brothers. The stock finished the year at \$24.26, a decline of almost 28 percent, after dropping as low as \$8 in March 2009.

The rollercoaster year was largely reflected in Gendron's bonus pay. His base salary was actually up 7.8 percent to \$698,007 for 2009. However, the company pointed out in a proxy statement footnote that the base salary figures went into effect in October 2008 and that no named executive officers would receive a salary increase for fiscal

Gendron, along with the other executives for which compensation is reported, received no cash compensation under the company's management incentive plan, the performance-based element of Woodward's bonus program. He did receive, however, \$575,000 under the long-term incentive plan.

Gendron's decline in bonus pay (58.7 percent) was higher than many of Woodward's peer companies. In an analysis of 232 firms with revenues more than \$1 billion, Equilar found that median total bonus payouts dropped 12.6 percent to \$812,799 in 2009.

For small cap companies, Equilar found that the median bonus payout was up slightly but that 6.6 percent more CEOs received no bonus at all.

What they're worth

The CEOs of public companies based in Northern Colorado received this much in

Company	Executive	2009 Salary 2008 Salary % Change	2009 Bonus 2008 Bonus % Change	2009 Total* 2008 Total % Change	
Advanced Energy Industries Inc. (AEIS)	Hans Georg Betz, President and CEO	\$495,414 \$561,804 -11.8%	\$0 \$0 0%	\$1,264,030 \$1,407,690 -10.2%	
Heska Corp. (HSKA)	Robert Grieve Chairman and CEO	\$420,000 \$416,666 .8%	\$180,182 \$0 NA	\$656,421 \$479,212 37%	
UQM Technologies Inc. (UQM)	William Rankin Chairman, president and CEO	\$335,732 \$322,575 4%	\$251,580 \$50,000 403%	\$765,432 \$709,818 7.8%	
Woodward Governor Co. (WGOV)	Tom Gendron President and CEO	\$698,077 \$647,115 7.8%	\$575,000 \$1,393,343 -58.7%	\$2,229,612 \$2,885,238 -22.7%	

^{*} Includes stock awards, option awards and other compensation items not listed in chart.

SOURCE: BUSINESS REPORT RESEARCH, U.S. SECURITY AND EXCHANGE COMMISSION FILINGS

Other CEOs see different results

In the case of Heska, the board has tied bonus pay and salary to performance — largely defined as profitability. The board, at the request of the executive officers, has in the past opted to

freeze base salaries as a means of achieving or nearing profitability. For 2009, Heska saw a 7 percent decline in income but moved from a loss in 2008 to a profit of \$2.2 million.

See COMPENSATION, 33



<u>"RUBY LAKE"</u> GARFIELD COUNTY, CO PHOTOGRAPHER: MOREY MILBRADT

A light frost faded from the grass, and the elks' song filled the air. As neighbors gathered to drink coffee and watch the herd descend upon the lake, they continued a tradition observed by generations of neighbors before them. At Bank of Colorado, we believe community is more than the place people come from. It's where they come together. And our strength comes from being there. Get the security of banking with a trusted neighbor, knowing that we'll always stand beside you. Visit bankofcolorado.com

6 | Northern Colorado Business Report www.ncbr.com | July 16-29, 2010

Big companies turn to on-site health care

Employer-funded clinics lower costs, raise productivity

In an era when employers are trying to increase workers' access to health care while holding down ever-rising

costs, some businesses and organizations are finding a solution in onsite clinics.

Larimer County, which employs about 1,600 people, set up its own employee health-care clinic last November, and it's been an unqualified suc-



HEALTH CARESteve Porter

cess. Nearly every county employee has enrolled in the program, which is also available to their dependents.

"It's been really well used since the day it opened," said Pam Stultz, the county's benefits administrator.

The county's Wellness Clinic at 2310 E. Prospect Road is run by Healthstat, a Charlotte, N.C.-based company that provides contracted basic health-care services. Stultz said the county made the decision to hire Healthstat to save on its health-care expenses.

"They've been shown to help man-

age health-care costs," Stultz said of onsite clinics. "It's gotten to the point that you can't keep cost-shifting, raising copays and that kind of thing. Based on our claims utilization, we project we'll save approximately \$3 million over the first five years."

For a self-insured organization like Larimer County, those savings come from less time lost off the job, higher productivity from healthier employees and paying less for visiting the doctor.

"As an added incentive to use the clinic, there's no additional charge to pay," Stultz said. "There's no co-pay as there would be if they went to a family physician."

Services provided by the clinic include treatment for allergies, flu, colds, sprains, asthma and various shots as well as annual employee physicals and school and sports physicals, along with health management information and monitoring.

"We have heard employees say they've gone in to get care that they couldn't otherwise afford, and that was our goal," Stultz said. "We didn't want them waiting until later when it would be more costly."

Gaining in popularity

Employer-based clinics have been gaining in popularity over the last few years. A survey by Watson Wyatt Worldwide and the National Business Group on Health found the percentage of large employers that either already

"It's an investment in the most important asset a company has, and that's its people."

Kirby Duvall, physician Woodward-Governor health clinic

had an on-site clinic or planned to open one within the year increased from 27 percent in 2006 to 29 percent in 2008. The survey also found that on-site clinics are most financially feasible for employers with at least 500 workers.

Woodward-Governor, which has production facilities in Fort Collins and Loveland that employ about 900, has been a pioneer in on-site clinics.

Kirby Duvall, M.D., who provides services at both locations, has been employed by Woodward as a health clinic physician since 1994. Duvall said Woodward has had on-site health clinics since the 1940s, and the Fort Collins site has had a clinic since it opened in the 1950s.

Duvall said the "health and productivity centers" are extremely popular with Woodward employees. "We have a high percentage — over 90 percent — who take advantage of the medical clinics and an even higher number who take

advantage of the dental clinic as well.

"I think it's a win-win concept," Duvall added. "The members like us because we're so darned convenient and the company has less downtime and more productivity because of that."

Duvall said Woodward in Fort Collins and Loveland saved about \$120,000 last year by having its own medical clinic and about \$170,000 by having its own dental clinic.

Duvall said savings are accruing from such things as reduced absenteeism and lower worker compensation costs.

He said the clinics also help decrease what he calls "presenteeism," which means showing up for work but not really accomplishing much because of an untreated illness or injury.

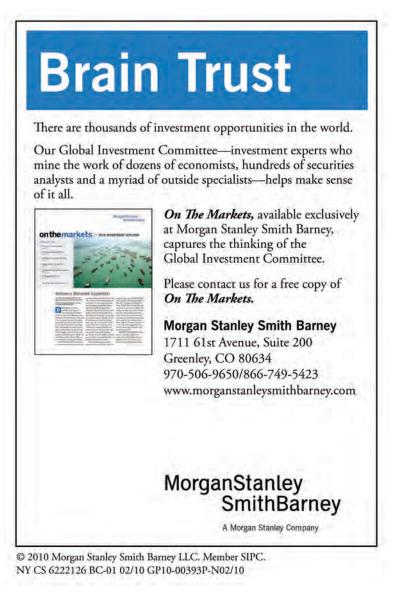
"If someone doesn't feel well, there's a loss of productivity," he said. "Not only are we reducing absenteeism but we're also making sure people feel better while they're here and do more productive work."

Duvall said Woodward has taken the approach that it makes sense to invest in healthier, more productive employees.

"It's an investment in the most important asset a company has, and that's its people," he said. "You can look at it as a cost-control measure, but it's really a value measure."

Steve Porter covers health care for the Northern Colorado Business Report. He can be reached at 970-232-3147 or at sporter@ncbr.com.





Creative industries create economic impact

New office supports state's fifth-largest employment cluster

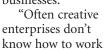
In May Gov. Bill Ritter signed a bill that creates the Creative Industries Division within the Colorado Office of Economic Development. The legislation merges the Office of Film, Television and Media, the Colorado Council on the Arts, and the Art in Public Places program into a single entity. The Council on the Arts is now called the Council on Creative Industries.

The legislation recognizes the emerging role of the state's creative economy. This includes both conventional artistic fields such as design, film, literature and the visual and performing arts as well as new media technologies, outdoor clothing and equipment design, green products, and craft food and beverages. According to a recent study produced by the Colorado Council on the Arts, 186,251 iobs in the state are associated with creative enterprises and occupations, and the creative economy represents the fifth largest employment cluster in the state.

'We have an incredible density of creative individuals and enterprises in the state," said Elaine Mariner, executive director of the Council on Creative Industries. "The current creative industry is robust without having had extra support. The council will shine a light directly on these industries, helping

individuals and enterprises gain better access to financial support."

Mariner points to programs like the Creative **Enterprises Loan** Fund in Denver, which helps small and fast-growing businesses.



the lending maze, and lenders don't know how to assess creative businesses," she said. "For example, lenders might understand a plan for a yogurt shop more than an enterprise producing purses from license plates."

In the current economic climate, time is of the essence and Mariner said the reorganization of the Creative Industries Division is moving swiftly. "We're working on a strategic plan, and the reorganization will be done by the end of this summer. The reason we can move forward is because of the input we received from the Creative Economy Advisory Panel."

Established by Gov. Ritter last year, the panel was co-chaired by Lt. Gov. Barbara O'Brien, Colorado Economic Development Director Don Marostica and Botanic Gardens CEO Brian Vogt. With participation from a wide variety of organizations and individuals, the advisory panel identified several strategies for



BUSINESS AND THE ARTS Kiki Gilderhus

success, including significant sustained investment in the creative economy.

Immediate local impact

What is the effect of the reorganization in Northern Colorado?

"We're seeing an immediate impact," according to Susan Ison, cultural services director for the city of Loveland. "The Loveland Museum is the recipient of a Colorado Creates grant for \$8,500 from the Council on Creative Industries. The money will be used to do an exhibit and related programming on China at the end of this year and the beginning of next year."

State support is a crucial element to a thriving creative economy, Ison argues. "All of the work by the Council on Creative Industries has brought an awareness of the importance of arts and culture to the state. We tend to focus on the economic aspects because that is real and substantial, but it's also very personal. The arts are here to enrich people's lives," she added.

Loveland's Rialto Bridge project exemplifies this relationship between economics and cultural enrichment. The historic Rialto Theater opened in 1920 as a silent movie theater. Today it is used as a performance hall for musicals, plays, concerts and both independent and silent films. "It's really the heart of the community," Ison said. "It's been in steady use since it opened, and every year it went up. We broke attendance records last year, which is remarkable given the economy."

Beloved and well used, the Rialto Theatre has "some deficiencies," as Ison puts it. There is no green room and very little production space. "In previous years user groups rented properties behind or adjacent to the theatre," she said. "When they were no longer available, it became ineffective and at times unsafe. Users were beginning to have problems."

Now the Rialto Theatre is the centerpiece of a development project intended to revitalize downtown Loveland. The 20,000-square-foot plan, designed by RB+B Architects of Fort Collins, calls for a three-story, multi-use building with a restaurant on the ground floor, community room and an atrium space on the second floor, and private office space on the third floor. The project adds a muchneeded green room and production space to the Rialto Theatre, and creates space for the visual arts as well. A call for artists to work with the Rialto Bridge design team is funded through the Art in Public Places program.

The \$4 million project is the result of a three-way partnership with real estate developer Troy Peterson, the city of Loveland and the Community Foundation of Northern Colorado. According to the plan, the project will create 30 jobs with an estimated 50 additional jobs to downtown.

Kiki Gilderhus, head of Art History Liberal Studies at Rocky Mountain College of Art + Design in Denver, covers the arts for the Business Report. Contact her at news@ncbr.com.

DAD'S GUIDE [] TO FIRST AID:



Problem:		Remedy:
Stubbed toe Broken arm Sore throat Toothache Pinkeye Diaper rash Gum in hair	Nose bleed Scratched elbow Dog bite Chickenpox Scarlet fever Head wound Sprained ankle	Walk it off

At least Dads have good financial advice.

Not everything Dads say is true, but when it comes to money management they're surprisingly accurate. For instance, money really doesn't grow on trees. In light of that, now would be a good time to follow the rest of your Dad's financial advice and "save, save, save."

Start saving at efirstbank.com



www.ncbr.com | July 16-29, 2010 8 | Northern Colorado Business Report

Largest Wellington and LaPorte Employers DataBank The Vault's Always Open Private sector, ranked by no. of employees

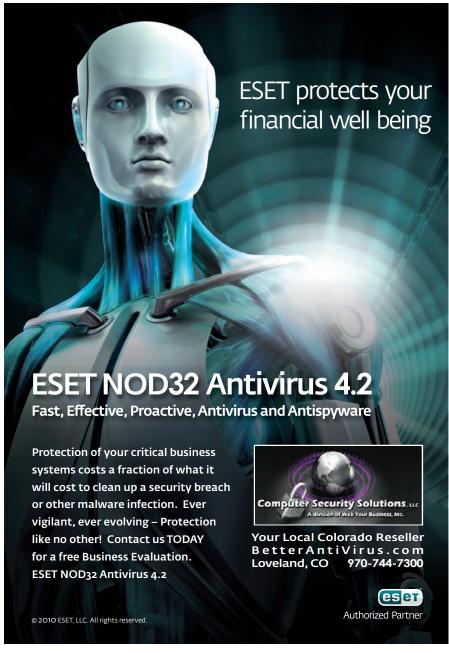


		_				
RANK	COMPANY ADDRESS OFFICE PHONE/OFFICE FAX	EMPLOYEES 2010 EMPLOYEES 2009	REVENUES 2009 REVENUES 2008	TYPE OF BUSINESS	E-MAIL Web site	PERSON IN CHARGE TITLE YEAR FOUNDED
1	GRANT FAMILY FARMS INC. 1020 W. Larimer County Road 72 Wellington, CO 80549 970-568-7654/970-568-7655	350 360	\$9,200,000 \$7,700,000	Certified organic fresh-market vegetables, onions, winter squash, corn, wheat, and dry beans. Operate the region's largest Community Supported Agricultural (CSA) program . Nursery stock: trees and shrubs. Certified Organic Colorado Dept. of Agriculture. Tri Sulom Kosher.	info@grantfarms.com www.grantfarms.com	Andy Grant Lew O. Grant President Founder 1974
2	JAX MERCANTILE 4629 Overland Trail Laporte, CO 80535 970-488-3250/970-488-3265	310 ① 270	N/A N/A	Outdoor Gear stores includingrecreational equipment, kitchenware, apparel, footwear, and watersports. Our Ranch & Home stores include equine and pet supplies, ag equipment, hardware, stoves, western wear, garden supplies and Benjamin Moore paint.	tsreade@jaxmercantile.com www.jaxgoods.com	Terri Reade Nadine Burkhart Business development manager Store manager 1955
3	ADVANCE TANK & CONSTRUCTION CO. 3700 E. Larimer County Road 64 Wellington, CO 80549 970-568-3444/970-568-3435	150 150	\$38,000,000 \$38,000,000	Steel plate products such as ethanol, biodiesel and water storage tanks, bins and silos.	lclay@advancetank.com www.advancetank.com	James Clay Lisa K. Clay President General counsel 1981
4	PLANTORIUM GREENHOUSE & NURSERY P.O. Box No. 485 Laporte, CO 80535 970-482-9145/970-530-0804	52 50	N/A N/A	Greenhouse specializing in bedding & outdoor plants, perennials, trees, shrubs and certified organic vegetable starts.	info@plantorium.com www.plantorium.com	Jim Roberts Cindy Roberts Owners 1946
5	VERN'S PLACE 4120 W. Larimer County Road 54G Laporte, CO 80535 970-482-5511/N/A	45 45	N/A N/A	Restaurant specializing in home-cooked meals and cinnamon rolls.	N/A N/A	Nick Lanteri Val Lanteri Owners 1946
6	OBERMEYER HYDRO INC. 303 W. Larimer County Road 74 Wellington, CO 80549 970-568-9844/970-568-9845	43 57	\$6,497,789 \$11,298,000	Large scale water-control gates for water storage, flood control, river diversion, environmental flow release, irrigation and hydro-power.	hydro@obermeyerhydro.com www.obermeyerhydro.com	Henry Obermeyer Rob D. Eckman President VP 1987
7	FRONT RANGE STEEL INC. 3620 Jefferson Ave. Wellington, C0 80549-0630 970-568-9002/970-568-9740	40 41	N/A N/A	Structural steel, miscellaneous metal and fabricator/erectors.	N/A www.frontrangesteel.com	Dave Denney General manager 1981
8	LA LUNA DAIRY INC. 9003 N. Larimer County Road 9 Wellington, CO 80549 970-568-7314/970-568-3015	30 30	N/A N/A	Dairy farm.	N/A N/A	Susan Moore President 1981
9	T BAR INN 3803 Cleveland Ave. Wellington, CO 80549 970-568-9829/970-568-0438	27 30	\$860,000 \$890,000	Full-service bar, family-style dining.	KT12BT@yahoo.com N/A	Brenda Thompson Ken Thompson Owners 1979
10	TAPESTRY HOUSE EVENT CENTER 3212 N. Overland Trail Laporte, C0 80535 970-472-1010/970-472-1019	25 28	N/A N/A	Event center hosts weddings, receptions, business meetings, parties, retreats and workshops.	info@tapestryhouse.com www.TapestryHouse.com	Bobbie Randolph Co-owner 2003
11	FITNESS1 ② 8017 First St. Wellington, CO 80549 970-568-4444/N/A	18 23	N/A N/A	Health club.	matt@fitness1clubs.com www.Fitness1Clubs.com	Matt Beeners Owner 2003
12 N/A-Not Availat	LOG KNOWLEDGE 4615 U.S. Highway 287 Laporte, C0 80535 970-493-1973/970-224-9879	17 18	N/A N/A	Log homes, heavy timber and truss manufacturer and large commercial log creations.	N/A www.logknowledge.com	Pete Cotter President 1974 onses to Business Report survey researched by Eric Kidd

ed upon responses to Business Report Survey researched by Eric Kido To be considered for future lists, e-mail research@ncbr.com

N/A-Not Available Region surveyed is Wellington and LaPorte ① Employment numbers reflect multiple Jax locations in Northern Colorado. ② Formerly known as the Wellington Athletic Club LLC





THE EDGE



TIME OUT

Snapshots of life outside the office

Page 11

COLUMN



No more financial crisis? Really? Dodd-Frank Act offers only piecemeal reform Page 17

ETC.

Briefcase

Regional business developments Page 10

Calendar

Events, seminars and dates to look forward to Page 13

On The Job

People in the news, on the move **Page 15**

LISTS Region's largest

Wellington & Laporte employers Page 8

Fort Collins employers Page 27

4G revolution will be televised

... and streamed and downloaded and seen from wherever you are

When we left off from our conversation

of the coming 4G revolution, we discussed the standards that make up Third Generation Wireless (3G). This month, I want to take a broad look at the 4G standards and highlight some of the most noticeable differences end users will experience.



GEEK CHIC

Michael D. Wailes

Compared to the service standards set forth in Second

Generation Wireless (2G), 3G made it possible for the simultaneous use of speech and data services along with a considerably higher data transfer rate. The 4G revolution, with a little help from some new standards

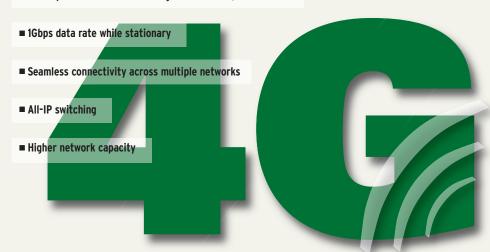
See GEEK CHIC, 16

What can 4G do for you?

There is no real definition for 4G technology, yet, and it's only available, so far, through one wireless provider in a handful of U.S. cities. However, anticipated abilities of the 3G successor are already floating around the Internet.

Among the wish/would/will features:

■ 100Mbps data rate while moving — in a vehicle, for instance



SOURCE: BUSINESS REPORT RESEARCH

Find your business' energy leaks

PRACTICING INNOVATION Shirley Esterly

'People energy' more prized asset than oil, electricity

Energy leaks come in all forms and descriptions: energy leaks in our homes and, of course, in the Gulf of Mexico. Oil is the energy that runs our cars, homes and computers and any leak is wasteful and destructive. We know that a leak wastes a precious and costly resource and don't tolerate energy leaks from any place along the supply chain.

But do you realize there is a good chance that your organization is also leaking energy?

The leaks I am referring to come from "people energy."

The energy of employees drives the success of every organization. When people are fully engaged and able to optimize their passion and enthusiasm, organizations soar. Success can only come from the energy, creativity and commitment of the people.

Do we really understand the cost of energy leaks inside organizations?

Two types of leaks

The first type of people-energy leak involves dysfunctional behavior, which is almost always present everywhere. The ability of individuals and teams to work together in a positive manner is critical to all organizations, and the degree to which dysfunctional behavior is

See INNOVATION, 1

©2010 Porsche Cars North America, Inc. Porsche recommends seat belt usage and observance of all traffic laws at all times. Optional equipment shown is extra.

Introducing the all new 2011 Porsche Panamera 4.

2011 Porsche Panamera 4

2011 Porsche Panamera 4 Lease

\$1,149 /month 36 mos

10,000 miles/year. MSRP \$84,765. \$5,000 down plus 1st payment, tax title and D&H. Stk#38794. Exp. 7-31-2010.



2010 Porsche Cayenne

2010 Porsche Cayenne Lease

10,000 miles/year. MSRP \$61,325. \$5,000 down plus 1st payment, tax title and D&H. Stk#38549. Exp. 7-31-2010. Or 1.9% APR Up to 60 months

Ed Carroll Porsche

3003 S College Ave Fort Collins, Co 80525 970-226-3000 www.ed-carroll.porschedealer.com M-F: 8:00AM - 7:30PM Saturday: 8:00AM - 7:00PM



10 | Northern Colorado Business Report www.ncbr.com | July 16-29, 2010

BRIEFCASE

Nonprofit notes

The staff at **Big Al's Burgers** in Old Town Fort Collins have opted for the "Big Change Jar" in place of the traditional tip jar. Money collected each month, including an additional donation by Big Al himself, will be donated to a cause selected by a Big Al's team member.

Loveland Habitat for Humanity reached its \$500,000 tithing milestone. Habitat for Humanity affiliates contribute 10 percent of their undesignated donations to help serve families with housing needs in countries outside of the United States. Donors have opportunities to designate where their monies go.

Larimer Humane Society raised more than \$38,500 at its 20th annual Fire Hydrant 5, 5K Run/Walk and Pet Fair in June. The event set a new participant and fundraising record with more than 600 people and 400 canines participating to raise money for lost, stray, orphaned and injured domestic and wild animals that are entrusted to Larimer Humane Society.

United Way of Larimer County raised \$7.5 million in its annual fundraising campaign which ended in June. Campaign contributions come from 8,000 individual donors, corporate gifts, workplace fundraising campaigns, leveraged dollars and grants. Despite the economic challenges, the United Way of Larimer County said donations increased by 2 percent over last year.

NEW PRODUCTS AND SERVICES

Not-for-profit financial institution **Funding Partners** executed a partnership agreement with **USDA Rural Development** to assist in the disbursement of Rural Development disaster relief funds available to Larimer and Weld counties as a result of the 2008 tornado. Funding is available to families and individuals for home purchases in rural communities and unincorporated areas of the counties. Call 970-494-2021 for more information.

Public Service Credit Union is now offering Credit Union Student Choice, a private student loan solution to help students make college a reachable goal. The private education line of credit features include zero origination fees, extremely competitive interest rates, in-school deferred payment and a

graduated repayment option. Visit www.pscu.org/studentchoice to learn more about the loan solution and for in-depth information on ways to finance a college education and calculators that will actually show the numbers.

NAME CHANGE

Action Potential Physical Therapy changed its name to One80 Physical Therapy. The new name reflects the One80 PT System developed by owner Rhett Polka, and to allow for expansion outside Northern Colorado. For more information visit www.one80pt.com.

NEW LOCATION

Ice cream store **La Michoacana** opened a second location at the **Greeley Mall**. Available flavors range from traditional to unique options like avocado and mamey. Cheese ice cream made with white Mexican cheese is the company's best seller. Other delights include yogurt, frozen juice, soft drinks and horchata.

DEADLINES

The Gardens on Spring Creek's Garden of Eatin' has been selected as one of 10 finalists for the \$25,000 Post Grant for Good Health. To cast your vote for Garden of Eatin' visit www.postnatural.com and select Grant for Good Health. One vote may be cast per day. Winners will be announced July 22.

The **Loveland Chamber of Commerce** is accepting applications for the 2010-12 Leadership Loveland class. Applications are available online at www.loveland.org/leadershiploveland with a submission deadline of 5 p.m., Aug. 10.

PROJECTS

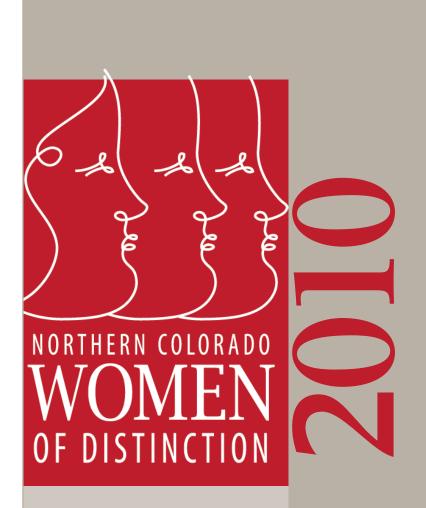
The Larimer County Workforce Center, in conjunction with the Governor's Summer Job Hunt, is assisting youth looking for summer employment. For more information visit www.larimerworkforce.org and click on Summer Youth under Youth Services, or call 970 498-6608. Businesses with summer job openings are urged to contact the Larimer County Workforce Center at 970 498-6665 to list their summer jobs. This is a free service.

MISCELLANEOUS

Loveland-headquartered **Interweave Media** reorganized into two units: the Fiber Division and the Art & Jewelry Division. As a result, the publisher's Quilt + Paper group, Specialty Fiber group and Yarn group will merge to create the Fiber group, which will be led by vice president and publisher John Bolton. The division will include Interweave Knits, Interweave Crochet, Quilting Arts, Cloth Paper Scissors, Spin-Off, Handwoven, Fiberarts and PieceWork magazines, as well as online communities KnittingDaily.com, QuiltingArts.com and CrochetMe.com, and related video products.

Be Local Northern Colorado welcomed new and renewing members RV World LLC, Valhall Arts, Creating LLC, Fort Collins Brewery, Mountain Woods Furniture, Fine Print Imaging/Art For Conservation, In-Situ, Cache Bank, Ten Thousand Villages, New-Belgium Brewing, Green Ride Colorado, National Center for Craftsmanship, Gallegos Sanitation, Clothes Pony & Dandelion Toys, My Sister Knits, Spoons Soups and Salads, Cheer Up PC, The Farm at Sunrise Ranch, and Beaver's Markets.

If you have an item to share about name changes, new products or business news of note, e-mail it to Noah Guillaume at nguillaume@ncbr.com, or mail it to Briefcase at NCBR, 141 S. College Ave., Fort Collins, CO 80524.



AUGUST 12, 2010

7:30 - 9:30 AN

BREAKFAST EVENT

EMBASSY SUITES, LOVELAND

TICKETS ARE \$39 EACH TABLE SPONSOR \$400

DON'T MISS THIS ONE AND ONLY EVENT

For the second year more than 70 awesome women have been nominated for the annual 2010 Women of Distinction Awards.

The 2009 event was a sellout. Don't miss your chance to join the NCBR regional celebration of women. Reserve your seat now.

Register online at NCBR.com. Click on Events under the Departments heading.

A limited number of corporate sponsorships are available for the NCBR 2010 Women of Distinction. For information contact De Dahlgren, NCBR marketing director, 970.232.3132 or Events@NCBR.com.

A portion of Women of Distinction proceeds will benefit







Reserve your table now.

TITLE SPONSOR

Women of Distinction is the premier

celebration recognizing female leadership

in Northern Colorado. Whether business

professionals or community leaders,

philanthropists or educators, these

women choose to exert their time and

considerable talents in ways that

strengthen not only their organization's

interests but our entire commmunity.



www.pvhs.org

HONOREE BREAKFAST SPONSOR



PRESENTING SPONSOR



WOMEN OF DISTINCTION SWAG BAG SPONSORS





EVENT ARCHITECT



EVENT PARTNERS



July 16-29, 2010 | www.businessreportdaily.com

TIME OUT



WELCOME – 1. Libby Hummels, left, with Core Financial, and Jackie Witt, a registered representative with Kosmicki Investments, give a warm welcom to The Tavern at St. Michael's Square at the June 23 New Member Reception. **2.** Congresswoman Betsy Markey address the volunteers at Loveland Habitat for Humanity's Habitat Builds Colorado Day on June 12. **3.** The Kingpins; Don DiTommaso, John Rudnicki, Brandon Vigil and Dan Dockery (drummer Ron Arrigo not in picture), entertained the crowd at DaVinci Sign Systems and Advanced Roofing Technologies annual open house celebration on June 25. **4.** Gene Haffner, left, director of public relations for North Colorado Medical Center; Bonnie and Norm Dean, 2010 Greeley Stampede Grand Marshals; Wes Sargent, right, senior vice president at Guaranty Bank and Trust, and Chelsea Strama, marketing director for The Round-Up @ the Fort, get into the spirit at the June 3 Greeley Stampede Kickoff Luncheon.

photos by Greeley Chamber of Commerce, Loveland Habitat for Humanity and Business Report staff
E-mail your event photos to Editor Kate Hawthorne, khawthorne@ncbr.com.
Include complete identification of individuals.





Northern Colorado Business Report | 11



2010 Albertson Medal in Sustainable Development Awarded to Bill Ritter, Governor of the State of Colorado



3rd Annual Village Earth Albertson Medal Gala

The Board of Directors of Village Earth requests the pleasure of your company.

Saturday, August 28, 2010 6:00pm

Lory Student Center Ballroom Colorado State University Fort Collins, Colorado



For reservations and additional information, go to: http://www.VillageEarth.org/gala/ or call 970-237-3002

Climate Wise Reaches Milestones; 10th Year and 200th Business Partner



Climate Wise Welcomes United Way of Larimer County

A decade ago, Climate Wise was a fledgling program that began with 13 business partners and a small team of City staff from multiple departments who saw the potential to co-create a mission of environmental stewardship and cost reductions within company operations.

Today, Climate Wise is still staffed by a small crew of dedicated experts in energy savings, water conservation, solid waste reduction and recycling, transportation, outreach and administration. And in partnership with Fort Collins industry leaders who experience the benefits of reduced greenhouse gas emissions while saving money, Climate Wise has grown in membership.

Commemorating its partner successes that included operational savings of \$8.4 million and greenhouse gas reductions by 116,000 tons last year alone, Climate Wise welcomes its 200th business partner, *United Way of Larimer County*.

United Way and its building neighbor Teaching Tree Early Childhood Learning Center created a "Green Team" to improve building and behavioral sustainability. As new Climate Wise partners, United Way has been busy with Teaching Tree in retro-fitting lighting, replacing heating and air conditioning equipment for more efficient options

and making sunscreen shades to cover large window areas that have made a 10-degree difference in indoor temperatures and occupant comfort.

United Way takes an active role in improving environmental practices in its regional buildings. In Fort Collins, the Sister Mary Murphy Center is now LEED Silver certified. And in Loveland, the 102-year old Community Services Building is participating in the Partnering with Power Program which cycles their central air conditioning unit off during peak usage times while fans continue to circulate cool air throughout the building.

United Way and Teaching Tree are benefitting from shared energy efficiencies, savings and brainstorming on new projects. Their Green Team is inspiring their employees to participate in upcoming behavior-related challenges. Among the action-based eco and social behaviors they're considering are in the areas of increased energy efficiency, solid waste diversion, water consumption, best sustainable building practices and continued excellence in delivery of human services in the community.

United Way of Larimer County and Teaching Tree, Climate Wise welcomes you!





Learn more and join! fcgov.com/climatewise climatewise@fcgov.com

CALENDAR

- **July 16** Friday Fest, from 6 to 9 p.m., Ninth Street Plaza, between Eighth & Ninth avenues, in Greeley. Cost: FREE. Contact: Bianca Fisher at 970-356-6775 or bianca@greeleydowntown.com.
- July 16 17 Textiles from India A Fort Collins Celebration, starting at 7 p.m., Avenir Museum of Design and Merchandising, University Center for the Arts Annex in Fort Collins. Contact: Linda Carlson at 970-491-1983 or Linda.Carlson@colostate.edu.
- July 16 From Desert to Oasis 2010 Ag Tour, from 7:30 a.m. to 4 p.m., Weld County Training Center, 1104 H St. in Greeley. Cost: \$15 - \$20. Contact: Kim Barbour at 970-352-3566 or kim@greeley chamber.com.
- July 17 Using Social Networks for Job Search, from 8 a.m. to noon, Front Range Community College -BP119, 4616 S. Shields St. in Fort Collins. Cost: \$49 (includes materials). Contact: Laurie Rue at 970-204-8686 or laurie.rue@frontrange.edu.
- **July 17** The ABCs of Microsoft Access, from 9 a.m. to noon, Education & Life Training Center, 401 Linden St. in Fort Collins. Cost: \$99. Contact: Education & Life Training Center at 970-482-4357 or www.eltcenter.org.
- July 18 New Belgium Urban Assault Ride, starting at 9 a.m., New Belgium Brewery.
- July 19 Health Care Reform, Loveland Small Business Development Center, 441 E. Fourth St., Suite 101a in Loveland. Cost: \$15. Contact: Mary Ann at 970-667-4106 or maryann@loveland sbdc.ora.
- July 19 STIR Loveland Social Mixer, from 5:30 p.m. to 7:30 p.m., Nordy's BBQ and Grill, 4360 Saint Cloud Drive in Loveland. Cost: FREE to STIR Loveland members, \$20 for everyone else. Contact: Nicole Hegg at 970-667-6311 or info@loveland.org.
- July 20 How Ellis Ranch Climbed the Web 2.0 Ladder, from 7:30 to 9 a.m., Loveland Chamber of Commerce, 5400 Stone Creek Circle in Loveland. Cost: Free/chamber members, \$10/non-members. Contact: Nicole Hegg at 970-667-6311 or info@loveland.org.
- July 20 The Nuts & Bolts of Human Resources, from 8:30 to 10 a.m., Fort Collins Country Club, 1920 Country Club Road in Fort Collins. Registration Deadline: 07/16/2010. Contact: Christine Berlage at 970-484-5073 or christine@vbbenefits.com.
- July 20 Cultivating Colorado Leaders, from 6 to 8 p.m., The Readers Cove/Half Moon Bay Coffee, 1001 E. Harmony Road, Unit C in Fort Collins. Contact: Eugena Bellamy at 970-443-9361 or Eugena@itsjustsosimple.com.
- July 21 22 Half Penny Horse Show, starting at 8 a.m., Fairgrounds at Stanley Park, 1209 Manford Ave. in Estes Park. Cost: Free. Contact: Suzy Blackhurst at 970-577-9900 or sblackhurst @estes.org.
- July 21 PowerPoint presentations with punch, Education & Life Training Center, 401 Linden St. in Fort Collins. Cost: \$49. Contact: Education & Life Training Center at 970-482-4357 or www.eltcenter.org.
- July 21 The Women of Vision Gala, from 5 to 9 p.m., Hilton Fort Collins, 425 W. Prospect Road in Fort Collins. Cost: \$45/CWOI members, \$55/non-member.
- July 22 Greeley Weld Chamber of Commerce Business After Hours, from 5 to 7 p.m., Ghent Chevrolet & Cadillac, 2715 35th Ave. in Greeley. Cost: \$10. Contact: Kim Barbour at 970-352-3566 or kim@greeleychamber.com.
- July 23 Friday Fest, from 7 to 9 p.m., Ninth Street Plaza, between Eighth & Ninth avenues, in Greeley. Cost: FREE. Contact: Bianca Fisher at 970-356-6775 or bianca@greeleydowntown.com.
- July 23 Access Advanced, from 8 a.m. to 5 p.m., Front Range Community College - BP152, 4616 S. Shields St. in Fort Collins. Cost: \$149 (includes textbook). Registration Deadline: 07/20/2010. Contact: Laurie Rue at 970-204-8686 or laurie.rue@frontrange.edu.
- July 24 31 Microsoft Word Basic, from 9 a.m. to 1 p.m., Front Range Community College - BP152, 4616 S. Shields St. in Fort Collins. Cost: \$149 (includes textbook). Registration Deadline: 07/21/2010. Contact: Laurie Rue at 970-204-8686 or laurie.rue@frontrange.edu.

- July 25 Kristi Visocky Memorial Golf Tournament, Collindale Golf Course, 1441 E. Horsetooth Road in Fort Collins.
- July 26 14th Annual Prairie Dog Classic Golf Tournament, from 7 a.m. to 7 p.m., Greeley Country Club, 4500 W. 10th St. in Greeley. Contact: Barbour at 970-352-3566 kim@greeleychamber.com.
- July 27 New Tax Incentives, from 9 to 10 a.m., Loveland Small Business Development Center, 441 E. Fourth St., Suite 101a in Loveland. Cost: \$15. Contact: Mary Ann at 970-667-4106 or maryann@lovelandsbdc.org.
- July 28 Freelance Camp, from 8:30 a.m. to 4 p.m., Rockwell Hall, CSU Campus, On Laurel between Howes & Meldrum in Fort Collins. Cost: \$35 - \$50. Registration Deadline: 7/27/10. Contact: Angel Kwiatkowski at 970-219-4061 fccoworking@gmail.com.
- July 28 1 Hunter Jumper Festival I Horse Show, starting at 8 a.m., Fairgrounds at Stanley Park, 1209 Manford Ave. in Estes Park. Cost: Free. Contact: Suzy Blackhurst at 970-577-9900 or sblackhurst@estes.org.
- July 28 Beet Street's Art Cafe, from 5:30 to 7 p.m., Avogadro's Number, 605 S. Mason St. in Fort Collins. Contact: Kerry Miller at 970-419-8240 or info@beetstreet.org.
- July 30 Art Thrives! An event to benefit ChildSafe, from 5:30 to 9 p.m., Club Tico, 1599 City Park Drive in Fort Collins. Cost: \$50/person, \$90/pair. Contact: ChildSafe at 970-472-4133 or childsafeib@gmail.com.
- July 30 Designing Presentations with PowerPoint, from 8 a.m. to 5 p.m., Front Range Community College - BP152, 4616 S. Shields St. in Fort Collins. Cost: \$149 (includes textbook). Registration Deadline: 07/27/2010. Contact: Laurie Rue at 970-

- 204-8686 or laurie.rue@frontrange.edu.
- July 31 1 Windsor Fine Arts Festival, Boardwalk Park, in Windsor. Cost: free.
- July 31 Pathways Hospice Breakfast in the Park, from 8:30 a.m. to 11 a.m., Fort Collins City Park, Shelter No. 7, Mulberry Street in Fort Collins. Cost: \$7/adult, \$5/child. Contact: Midge Toomey at 970-663-3500 or midge.toomey@pathways-care.org.
- Aug. 4 8 Hunter Jumper Festival II Horse Show, starting at 8 a.m., Fairgrounds at Stanley Park, 1209 Manford Ave. in Estes Park. Cost: Free. Contact: Suzy Blackhurst at 970-577-9900 or sblackhurst@estes.org.
- Aug. 5 Courageous Leadership Series: How to Coach for Character, from 7:30 a.m. to 11:30 a.m., The Hilton, 425 W. Prospect Road in Fort Collins. Cost: Starts at \$69. Registration Deadline: Aug. 3. Contact: Meghan Coleman at 970-266-2671 or mcoleman@characterfortcollins.org.



Join Bixpo 2010 BUSINESS LEADERS and regional ECO-DEUELOPMENT experts for a comprehensive panel discussion on Northern Colorado's regional economic development opportunities. This "power breakfast" format will tackle the future's most challenging economic questions from attendees and NCBR readers including:

- Action Plans for Attracting New Employers
- Accessible Resources for Growing Businesses
- Driving Positive Economic Results
- Regionalization Issues & Opportunities

TICKET PRICE: \$39

For sponsorship information contact De Dahlgren, events@ncbr.com or 970.232.3132. Register for tickets online at www.ncbr.com, and click on events under departments.

Title Sponsor:

Presenting Sponsors:

CBEYOND





First National Bank nvestment Management & Trust 14 | Northern Colorado Business Report www.ncbr.com | July 16-29, 2010



Tell them you're one of the good guys.

Eliminate guesswork for consumers.

Now more than ever, consumers are carefully checking out businesses before spending. The BBB trustmark beside your company gives consumers confidence—and provides you with a powerful competitive edge.

7 in 10 consumers say they would be more likely to buy from a company designated as a BBB Accredited Business.

2007 Princeton Research Findings

You're in good company with the Better Business Bureau.

Instantly communicate your ethical track record—through the BBB. As a BBB Accredited Business, you can freely display the well-known trustmark, take advantage of online tools that drive consumers to your business, stretch your marketing dollars through BBB outreach efforts and, if you qualify, participate in our Pinnacol workers' comp group. And that's just the beginning.

See if you make the grade.

If your firm is already top drawer, maximize your bottom line by becoming a BBB Accredited



wynco.bbb.org 970.224.4222 / 800.564.0370

INNOVATION, from 9

tolerated or ignored creates energy leaks.

Management guru Peter Drucker said "the only things that evolve by themselves in an organization are disorder, friction and malperformance." He was reminding us that people issues must be addressed to head off problems caused by dysfunctional people, teams and situations. Performance is the most costly victim of unaddressed people problems.

When there is conflict, mistrust, poor communication, inability to collaborate, lack of respect, unproductive competition, unnecessary drama and emotion, productivity is reduced, dollars wasted, opportunities lost. Another energy leak opens up when there is an inability to clearly communicate between leadership and staff.

When teams don't work well together, it makes everyone's work life unpleasant, and the inability to collaborate is a lost opportunity on many levels. Teams may split into factions taking opposing positions. Individuals and factions can create barriers to moving forward. Meetings take more time and may require additional time to finalize a decision. When a team member is reinventing the wheel instead of working with colleagues, the solution may not include all the expertise available. When teammates do not trust each other, the opportunities lost are vast.

Another major source of energy leaks is fear. In today's economy, fear is rampant. W. Edwards Deming, an early

systems thinker, believed that managers have many opportunities for improvement. In Deming's 14 points for management transformation, published in 1993, point number 8 is "drive out fear, so that everyone may work effectively for the company."

When people are fearful, undesirable outcomes happen. More mistakes are made and their lessons not learned; communication to leaders may be given a positive spin; and the people generally mistrust the system. Performance data may be warped when those reporting are coming from a position of fear. This creates confusion, frustration and wrong decisions. This particular energy leak is like leaving a window wide open in below-zero weather.

Fixing the leaks

Why should you care about fixing energy leaks in your organization? Energy leaks affect everyone, and they will not go away by themselves. They will only continue to fester and infect more and more people. Some team members who are sufficiently unhappy will find a way to leave. If employee satisfaction is to improve, people problems have to be addressed.

We are in a transition period as we adjust to reduced resource levels. This is an adjustment that will take time to complete. You may wish for short-term results, but is unlikely to happen.

With employee satisfaction at record low levels, every leader must consider how dysfunctional behavior and fear are impacting performance. In order to reduce fear and create a more positive work environment, it is up to managers "Performance is the most costly victim of unaddressed people problems."

to help the people define priorities and focus on the right work. A critical need at this time is to re-inspire people and reclaim their energy and commitment. This alone can close many energy leaks and create a more positive work environment.

Follow Peter Drucker's advice and pay attention to helping the organization adjust and find a new path to performance. Retreats, team planning and other collaborative activities are often viewed as a luxury. I hope I have helped debunk that attitude. Focusing on the needs of the people, adjusting goals and defining the right work are a powerful way to improve performance.

Shirley Esterly is a master facilitator and systems thinker who works with clients to build sustainable business practices. She can be reached at sae@quantumwest.com.





July 16-29, 2010 | www.businessreportdaily.com

ON THE JOB

NONPROFIT

The National Peace Corps Association honored Stuart Conway, co-founder of Fort Collins-based nonprofit Trees, Water & People, with the 2010 Sargent Shriver Award for Distinguished Humanitarian Service. The Shriver Award is given by NPCA each year to a returned Peace Corps volunteer who continues to make a sustained and distinguished contribution to humanitarian causes at home or abroad, or is an innovative social entrepreneur whose actions will bring about significant longterm change.

Carolyn Wade, sales associate with Re/Max Advanced, was elected president of Soroptimist International of Fort Collins. Soroptimist helps improve the lives of women and girls in communities around the world.

FINANCE

Connie Begger joined Cornerstone Mortgage Co. as divisional vice president of operations. Begger is in charge of operations support for the Colorado region, a job that involves managing processing, closing, compliance, loan origination systems and training. Matt Richardson joined Cornerstone as regional information technology manager. Richardson is responsible for managing the implementation, integration, installation and operation of information and functional systems for the Colorado region.

Don Johnson, Tim Blandford, **Andrew Flanscha** and Jordan Austin, financial representatives with the Mountain Plains Group of Thrivent Financial for Lutherans, qualified for the organization's Sierra level for 2009 achievements. In order to qualify for the Sierra level, Johnson, Blandford, Flanscha and Austin demonstrated outstanding sales and service to members.

The Institute of Certified Bankers awarded the Certified Trust and Financial Advisor designation to **Peter Loritz**, JD, CTFA, trust officer for Investment Management LORITZ & Trust at First National Bank. The designation is awarded to individuals who demonstrate excellence in the field of wealth management and trust. Eric Rakness has been named financial planning account executive for First National Bank Investment Management & Trust in Fort Collins.



CONWAY

BEGGER

RICHARDSON

Adams Bank & Trust Commerce.

named John A. Busby as a new commercial loan officer assigned to their Northern Colorado branches located in Berthoud, Firestone and Fort Collins. Busby most recently served as president and CEO of Loveland Bank



BUSBY

CONSTRUCTION

Laurel Brabec achieved certification in landscape design, and is launching her business Laurel Designs. Services include new landscape designs, renovations, consultations, water wise design and garden coaching. She can be reached at 970-590-3291.

Bill Hofmann, LEED AP, FIGP, GVS of Hofmann Consulting Services LLC in Loveland, has been

named a Fellow of the Institute of Green Professionals. Hofmann is a certified general appraiser, who specializes in commercial properties and cost segregation estimates.





Beaudin Consulting Engineers Inc. promoted Corey Rhodes, P.E., LEED AP, to Project Manager. Rhodes joined the BGCE team in 2004 and holds Professional Engineer registrations in Colorado and Wyoming.

director of Career Services

at the Institute of Business

and Medical Careers, was

branch manager/regional

director at Adecco and a

Doug Hay has been

director

Marketing/Emerging

Business Programs at

with innovative technology.

branch manager at Westaff.

named





for

Premier Employment Screening Services in Fort

Collins. Premier Employment Screening Services

helps organizations make informed higher deci-

sions faster by combining comprehensive, accurate

and cost-effective background screening solutions

RHODES



JOHNSON

BLANDFORD







RAKNESS

Colorado Women of Influence has announced the recipients of the 2010 Women of Vision Awards: Denise Bettenhausen, Pamela Cook, Maury Dobbie, Lydia Dody, Roxie Ellis, Diana French, Temple Grandin, Grace Hanley, Kristi Helzer, Jeri Howe, Joan King, Heather Janssen, Gailmarie Kimmel, Carmeen Klausner, Lori Kogan, Dorsi Smith, Shannon Lopez, Amy Snider, Barbara Wallner, Elise Walsh, Lu Anne Aulepp, and Linda Wheeler Holloway. The award gala will be held July 21st at 5 p.m. at the Hilton Fort Collins.

If you have an item to share about a promotion, job change or career news of note, e-mail it to Noah Guillaume at nguillaume@ncbr.com, or mail it to On The Job at NCBR, 141 S. College Ave., Fort Collins,



How Healthy is Your Office?

BioMedical Janitorial Precision Clean™ techniques are specially designed to bridge the gap from when the clinic closes to when it sees its first patient for the day. When the medical staff leaves often times this is the breeding season for germs, bacteria and viruses. The Precision Clean™ Difference is designed to eliminate this unnecessary risk to patients and staff.

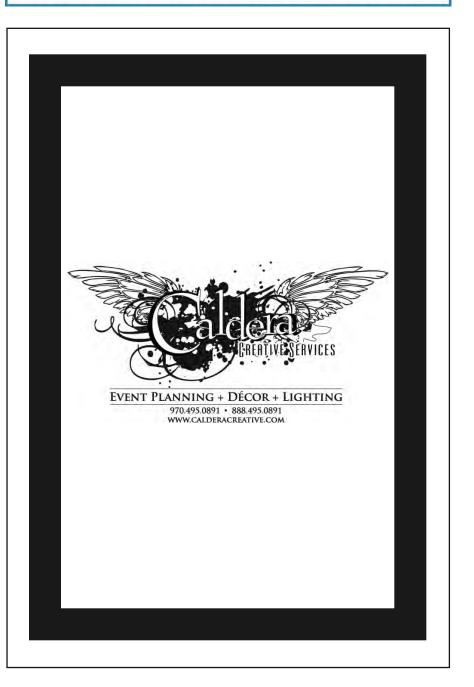


Receive 1,000 square feet of Floor Cleaning for FREE!



Northern Colorado Business Report | 15

866-366-1065 970-266-1065 www.BiomedicalJanitorial.com



16 | Northern Colorado Business Report www.ncbr.com | July 16-29, 2010

GEEK CHIC, from 9

in microchip development, will extend the ability of service providers to create a seamless broadband experience for users regardless of device type and loca-

What does that mean exactly? It means our current thinking of voice, data and Internet, whether fixed or mobile, is about to become obsolete.

One of the more noticeable things that 4G will deliver is speed — mindblowing speed — or at least mindblowing speed in terms of mobile computing. Sprint Wireless equates the difference in speed between 3G and 4G networks to the difference in speed between a Model-T and a Maserati. I like to think of it as the difference between me crab-walking sideways uphill and Usain Bolt running a windassisted 100 meters.

Average download speeds on 3G networks fall in the range between 600Kbps to 1.4Mbps, which is fairly fast when you consider that there are still people in this country using a 28Kbps dial-up internet connection. Peak download speeds on a 3G network are able to hit upwards of 3Mbps, but rarely. Average download speeds on 4G networks will start where 3G left off between 3 and 6Mbps with peak speeds exceeding 10Mbps. In case you struggle with the math, that's about a tenfold increase across the range.

The increase in speed won't exactly change the way we currently use mobile devices other than allowing us to do those things faster. That naturally should go without saying, but as the speed increases, our dependence on and use of mobile devices will also increase. With 4G speeds, there will be a dramatic increase in media streaming — more movies, TV shows, radio broadcasts, and even HD programming. In fact, in some instances, your mobile device may become more reliable and faster than your current hard-lined Internet servthe average end user's standpoint, it isn't going to change how you use your device as much as it will change what you will be able to use it for and what devices you will be able to use it with, such as accessing files on your desktop and sending mobile documents to a network-attached printer.

Speed just the icing

While the speeds promised by 4G is reason enough to get excited, it is really only the icing on the cake of the next wireless standard. The cake is the switch from switched circuit-IP data communications to an all-IP communications protocol.

In previous wireless generations standards, services were divided and handled between voice and data. Fourth-generation wireless standards provide for an all-IP network — a single IP "pipe" that is able to support not only voice and data, but also video communications.

What this means for you and me is a platform that can provide a wider range of applications and services with reliability that mimics the desktop environment. In other words, the speed, array of applications and reliability that you experience at your desk or at home with your computer will now be possible on the go with your mobile device — just please not while driving.

Without getting into the nuts and bolts of what an all-IP network is and how it works, think of your mobile as just another device in your current home or office wireless network. From

But for software developers, this will open many new doors and opportunities to allow interaction between multitudes of devices. It won't be long before we start to see non-traditional network devices getting into the mix, like cameras, televisions, even household appliances. Maybe my refrigerator will someday be able to call me and let me know I'm

almost out of milk. Unfortunately, 4G isn't readily available in the

United States. In fact, Sprint is the only domestic carrier to offer any 4G service at this time and, according to Sprint's

website, that service is currently available in only 36 cities in 15 states right now — Colorado is not among them.

Verizon and AT&T won't even begin rolling out their respective networks until at least 2011, though Verizon

hopes to have nationwide service by 2013. So even though we have, in technological terms, an eon to wait for 4G, it will be a wait whose worth is well spent.

Until next time. Reputo. Lego. Diligo.

Michael Wailes is an Interactive Developer at Burns Marketing and Communications in Johnstown. If you have questions or would like to suggest a topic for a future Geek Chic column, email him at news@ncbr.com.



Join us at our newest club at Centerra in Loveland. We offer group BTS and cycling classes, zumba, yoga, as well as machine and free weights.

Increase fitness & wellness | Reduce injury & sick days

We engage, energize and inspire

our members and team. We Impact Lives.

3755 Precision Drive 970.744.5005

970.282.1000

901 Oakridge Drive 2211 S. College Ave 1800 Heath Parkway 970.225.2233 970.221.5000



www.miramontlifestyle.com

In Touch With Your Business... In Touch With You.

Helping You Do What You Do Best - Even Better!

We're a community bank with community people and over 50 years of experience in Northern Colorado.

"As a local commercial real estate brokerage management development company, it was important for us to find a local bank that can make quick decisions. Western States Bank has provided over \$5 million in real estate financing to us over the past two and a half years. Their staff has given sound real estate and business advice that we've used to grow as a successful business. Their honesty and accessibility have been key for our relationship with Western States Bank."

Daniel R. Bernth, President Doberstein Lemburg Commercial, Inc. 1537 Riverside Ave., Fort Collins, CO 80524 970.221.1956 office 970.310.9811 cell danbernth@frii.com





1298 N College Ave. 1520 E Mulberry St. Fort Collins 970-224-1300

Fort Collins 970-530-1500

www.westernstatesbank.com

808 W Eisenhower Loveland 970-593-1600



Special Report

July 16-29, 2010 www.ncbr.com

& FINANC



FEATURES

Local loan pipeline on slow-flow trickle

Demand for money for business growth still generally weak Page 18



Card fee limits hit banks large, small Local bankers expect financial reform will do collateral damage

Page 19

Newest Sam's Club perk: SBA loans

Bulk retailer hopes access to capital can help small businesses

Let's see. Thirty-five pounds of peanut butter, check; a gallon of ketchup, got it; 600-pack of plastic forks, yup. And one more thing — a \$25,000 small business loan.

Sam's Club hopes to help its customers with more than bulk buying through a new partnership with Superior Financial Group. The



Kristen Tatti

retailer announced on July 6 its trial online program to provide business members with Small Business Administration loans of \$5,000 to \$25,000.

Sam's Club members will receive \$100 off the packaging fee and an annual percentage rate of 7.5 percent — a 25 basis-point reduction — for any of Superior's loan products. The loans carry a term of 10 years, with no pre-payment penalties.

"For us, partnering with a retail store is pretty unique, but the way we're handling it is similar to our other resource partners," said Tim Jochner, chairman and CEO of Superior.

Sam's will act as a referral mechanism to Superior's proprietary online pre-qualification system. Pre-qualification, which checks an applicant's eligibility against SBA requirements, takes about three minutes. It's the fast, online program that allows Superior to partner with companies and organizations across the United States, according to Jochner.

Superior was formed in 2005 as a nonbank SBA lending company, one of only 13 licensed in the United States. Jochner

explained that the non-bank licenses were originally distributed to provide more smalldollar SBA loans, because many bank lenders focus on larger loans. Superior's focus is on providing loans to minorities, women and veterans through several SBA programs.

So far, the response has been a bit overwhelming, Jochner said. The company is seeing 300 applications per day through its system versus the more typical 50 apps per day before the Sam's program was announced. Despite the surge in traffic, Jochner said the online system is still running smoothly.

In announcing the program, Sam's pointed to a recent National Federation of Independent Business survey that illustrated today's tight credit market. Only about half of the small business respondents who had attempted to borrow money last year received a portion of or their entire loan request. By comparison, about 90 percent of survey respondents reported ready access to capital

There will now be a Bureau of Consumer

Insurance Corp., which was given the authori-

ty to quickly shut down banks with reforms

down non-bank financial companies to limit

closely inspect the credit-rating agencies such

as Moody's and Standard and Poor's to avoid

favorable ratings to securities issued by com-

panies who pay large fees to receive the rat-

the damage to the economy. The Securities

and Exchange Commission will now more

conflicts of interest in which agencies give

in 1991, will now be able to quickly shut

Financial Protection within the Federal Reserve System. The Federal Deposit



Corrections create opportune time End of China's currency peg could aid global recovery Page 23

LIST Region's largest:

Fort Collins employers Page 27

No more financial crises? Are you sure?

Dodd-Frank Act offers only piecemeal reform

There are 2,139 pages in the "Dodd-Frank Wall Street Reform and Consumer Protection Act" working its way to President Obama's desk. The Act comes in response to the financial crisis of the past three years and is being touted as the most dramatic change in the financial system since the New Deal reforms

Some view the new legislation as too onerous and burdensome for banks and their customers and an expansion of government bureaucracy, while others believe that the legislation does not go far enough to correct the recent excesses of the financial firms involved in the latest debacle.

Whether the new law accomplishes its goals depends on whether it keeps financial firms from engaging in risky behavior that lead to their collapse and bailout by the taxpayer, and whether we have greater assurance of a fair and competitive financial system for con-

How will the Act accomplish these goals? In short, by creating more government agencies or giving existing agencies greater power to regulate and supervise financial institutions, especially those that are deemed "too interconnected to fail."



COLUMN Ronnie J. Phillips

ings.

GUEST

Potential problems There are potential problems with these reforms. The Federal Reserve's original and

See PHILLIPS, 38

Your own personal pit crew.



www.ncbr.com | July 16-29, 2010 18 | Northern Colorado Business Report

BANKING & FINANCE

Local commercial loan pipeline on slow-flow

Demand for money for business growth still generally weak

By Luanne Kadlub

news@ncbr.com

If the loan pipeline in Northern Colorado is indicative of economic trends, then this much can be said: The economic recovery is still on super slowmo speed. Money is available, bankers say. All that's needed are businesses ready to sign on the dotted line.

"Loans are very slow," said Byron Bateman, president, CEO and chairman of the board at Cache Bank & Trust in Greeley. "I sense the economy is leading people to kind of watch their cash. There's not a lot of expansion right

Bateman said he had hopes that the economy would bounce back in the second quarter of 2010. "Now I'm thinking maybe next year at this time. Businesses are keeping it pretty close to the vest."

Leroy Leavitt, chairman and CEO of New West Bank in Greeley, agreed that the loan pipeline is somewhat flat, with his bank seeing "maybe 5 percent growth."

Leavitt said loan demand is coming

from current customers growing their businesses as well as from customers moving their business to New West from other banks "unable to take care of their good customers' needs."

"That's not new, that's always been around," he added. "It's just a little more prevalent."

Mark Driscoll, president of First National Bank, said he too sees loan demand as "still weak generally" but that there is light at the end of the tunnel. His bank has seen the number of applications for business and SBA loans double from the previous year, albeit 2009 was a very slow year as well. Nonetheless, Driscoll calls it "meaningful improve-

Dollar amount of loans applied for, he said, are smaller compared to years past when the economy was robust. "Businesses that are doing well are growing and expanding. They need working capital, equipment and money to expand facilities."

Cache's Bateman noted that bankers are experiencing a "double dip."

"In addition to not having a lot of loan proposals, we also have a fair number of lines of credits available," he explained. "Businesses are not using seasonal lines of credit like they have in the

What this means is that bankers at Cache, including Bateman, are spending

Small business loan advice

When your small business is ready to borrow again, the Better Business Bureau serving Northern Colorado and Wyoming has some advice for increasing your chances of getting a

■ Talk to the U.S. Small Business

Administration. In addition to lender relations specialists who work at field offices in every state, SBA free counseling partners include Small Business Development Centers in both Larimer and Weld counties, at colleges and universities, Women's Business Centers in Denver and Pueblo, and a network of about 10,000 retired executives called SCORE who mentor entrepreneurs and small business owners.

■ Review your credit report. Lenders take into consideration your personal credit history and if your report has any errors it could affect your chances of getting the loan. You can check your credit report once a year for free with the three major reporting bureaus - Transunion, Experian and Equifax - at www.annualcreditreport.com. If you find errors, contact the reporting bureau to set the record straight.

■ Create a business plan. Lenders want to know that you have done your research, considered your risks and the current climate for opportunity, and planned for the future. Your business plan needs to be comprehensive and professional in both content and appearance.

■ Show that you're personally invested. If you have money invested in your own business, it shows the lender that you are personally dedicated to the success of the venture.

■ Plan to pay it back. Lenders are in the business of making money. To that end, they want to know that you have a solid plan for paying back the loan and can also provide enough collateral to cover the loan if the business fails.

■ Start with who you know. If you already have a good relationship with your personal financial institution, start your search there, but don't rule out the possibility of getting a loan from a smaller local bank.

SOURCE: BETTER BUSINESS BUREAU, WYNCO.BBB.ORG

more time calling on prospective and current customers. "We're moving that time to service loans into calling efforts,"

Although Cache is not expanding geographically to drum up business, it is calling on a wider variety of industry sectors, including oil and gas. And it is going after all loans, big and small.

Faster flow

The loan pipeline, however, seems to be flowing faster at FirstBank, where Patrick Brady, president, boasts of being on pace to surpass his bank's 2009 record-breaking loan volume of \$125 million.

"The health of our balance sheet allows us to be a consistent lender," he said. The bank's largest loan of \$10 million helped finance OtterBox's expansion of its distribution facility at Interstate 25 and Mulberry Street and its corporate headquarters in Old Town Fort Collins.

Brady said several other loan packages — some for as much as \$2 million include "a little bit of everything," from owner-occupied projects, retrofitting existing buildings and acquiring office/retail buildings. FirstBank has also signed off on several loans through the SBA 504 program.

But borrowers, he added, continue to be wary about taking out loans when the economy remains shaky. "Just because you're wary doesn't mean you don't have to move forward," Brady said.

Steve Lovas, regional president of US Bank, said the recession has "been dragging out longer than all of us hoped." It hasn't changed the way the bank goes about business. Loans are being made, including large ones, but he's not seeing as much expansion by small businesses as he did two or three years ago. "It is more difficult to find projects that qualify because of the economy," he said.

But there are signs of hope. "I would say a majority of us, regardless of what business you're in, be it banking or restaurants or home building, all of us expected to be further along today than we are," according to Lovas. "Northern Colorado is a market area that has a bright future. The million-dollar question is: When do we get back to stable

Is SBA Financing Right for You?



We can help you apply and qualify for an SBA Loan*

- Financing is available for starting or expanding a business as well as purchasing the building in which you operate
- Flexible repayment terms and conditions available

Our banks have earned the prestigious Preferred Lender Program designation.







Loveland Bank of Commerce 102 East 29th Street Loveland, CO 80538 970.679.7150 www.lovelandbankofcommerce.com

Fort Collins Commerce Bank 3700 South College Avenue, Unit 102 Fort Collins, CO 80525 970.204.1010

Larimer Bank of Commerce 1432 East Mulberry Street, Unit B Fort Collins, CO 80524 970.224.7200

FDIC CENTRE



*Loans subject to credit approval

BANKING & FINANCE

Card fee limits to hit banks large and small

Local bankers expect financial reform will do collateral damage

Bv Jessica Centers

news@ncbr.com

Colorado bankers say they're about to suffer a new blow in the wake of the economic meltdown — this one imposed by Washington. The massive Dodd-Frank Wall Street Reform and Consumer Protection Act that could land with a thud on President Obama's desk any day now includes a provision that would limit interchange fees — the fees merchants pay to banks and creditcard networks when customers use debit or credit cards.

"Banks are under pressure already, so any time you take away income it's concerning," said Mark Bower, senior vice president, CFO and COO of Home State Bank in Loveland. "As BOWER a percent of gross



income it is very small, but nonetheless the government keeps chipping away all around the edges."

Sen. Richard Durbin, D-Ill., sponsored the amendment "to help small businesses by ensuring that debit-card interchange fees are reasonable."

It is a response to price-fixing by Visa and MasterCard, who control 80 percent of the debit market and thereby set the debit interchange fee rates that apply to all banks within their networks. Those fees are currently 1 percent to 2 percent — "far higher than the actual cost of processing debit transactions, and they mean that small businesses and merchants always get shortchanged when they accept a debit card for sale," according to Durbin's website.

The financial reform bill actually includes an exemption for banks and credit unions with assets under \$10 billion. That covers 99 percent of banks, including Home State, but Bower and the Colorado Bankers Association say it's an exemption in theory only. Small banks will have to lower their fees to the price the government fixes or be priced out of the market.

"That exemption is there, but since ost banks use large banks to do the processing behind the scenes, it won't be effective," Bower said. "You just can't change the way the market functions and not have unintended consequences. We've yet to see a case where the government has set a price on anything and it didn't either set the price too high or too low."

Don Childears, president and CEO of Colorado Bankers Association, says the exemption is smoke.

"You're still in the marketplace," he said. "A retailer has a choice of who they have process their cards. If you're

approached by a local community bank that says it will cost you 50 cents for this service, and then Wells Fargo says it will cost you 10 cents, guess who the retailer goes with. That exemption is meaningless. It forces community bank pricing



CHILDEARS

to come down to that government dictated level and hurts them the same."

Request to remove

Citing the impact on community banks and credit unions, a coalition of 15 free-market and conservative groups led by the Competitive Enterprise Institute sent a letter to Congress asking that the interchange provision be removed from the bill.

"America is unique in that a small bank or credit union from a small state can issue a credit card that can be used anywhere in the world," the June 16 letter states. "The Credit Union National Association and the Independent Community Bankers of Association are correct to note that government controls of the market rates of credit- and debitcard networks will adversely affect all financial institutions that issue these cards, regardless of whether the final bill contains exemptions on paper for the size of institutions."

Though the fee price has yet to be set, Childears expects it will be too low because the amendment's language only allows for part of the cost of the product to be considered. The provision requires the Federal Reserve to set interchange fees that are "reasonable and proportional" to the "actual" cost and it defines actual cost as being exclusive to the cost of the electronic transaction of the funds.

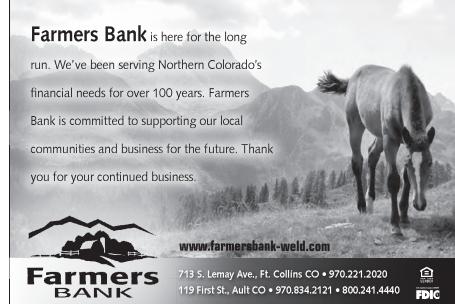
"They did make an amendment late in the process to allow fraud costs to be purportedly covered, but it still basically says that the price fixed by the government can only reflect the incremental cost you have for that transaction," Childears said. "I like the airplane analogy. It's like saying that the ticket price can only reflect the cost of fuel for carrying one extra person, that you can't factor in labor costs for flight attendants and mechanics and pilots and all the other expense.

"They want to confine (the interchange fee) to the additional cost to send that one electronic transaction through, when this is a huge investment that delivers enormous value to retailers. It removes the prospect of fraud losses," he added. "Banks bear fraud losses, which is not the case when a merchant accepts a bad check."

Source of income

Fees are also a much-needed source of income for banks at a time when loan losses are high. Childears anticipates banks will make up for lost revenue by cutting or

See CARD FEES, 38



Don't rule out 401(k) plans for your small business



Managing Director/Investment Officer Charles.Bouchard@wfadvisors.com

Tony Ripsam First VP/Investment Officer CERTIFIED FINANCIAL PLANNER™ Kari Roxleitner CERTIFIED FINANCIAL PLANNER™

Roger Bates Financial Advisor

401(k) plans aren't just for large corporations. If you are your business' sole employee — or if it employs only you, your co-owners and spouses - you can take advantage of an Owner-Only 401(k) plan. Get higher contribution limits than SIMPLE or SEP IRAs in addition to annual catch-up contributions of up to \$5,500 if you're 50 or older.

Call today to find out if an Owner-Only 401(k) plan is right for you and your business.

Bouchard-Bates-Ripsam-Boxleitner

WEALTH MANAGEMENT GROUP

www.bbrb.wfadv.com 970.669.8200

Wells Fargo Advisors, LLC, Member SIPC

You need more than a business loan. You need a business loan from someone you can trust.

You can trust First FarmBank.

FIRST

Hometown values.

Hometown strong.

First FarmBank is a local community bank with a solid foundation. In fact, it's one of the few highest rated banks in Northern Colorado. So you get more than the funds you need to help your business grow. You get peace of mind, knowing you're doing business with a bank you can truly trust.



www.firstfarmbank.com

127 22nd St., just off Hwy. 85 970-346-7900 Greeley, CO





Shops at Centerra under construction, Summit Front Range on Harmony Road not.

April

Celestica closes Fort Collins plant, laying off 800.

> **Rick Sutton becomes** McKee Medical CEO.

May - Ron Young plans retail center for Wellington. Sarah MacQuiddy named president of

Discovery Sc

Greeley Chamber of Commerce.

> plans move t Fort Collins.

Interv

national Florist of the Year. June

SOURCE: NCBR ARCHIVES; BUSINESS REPORT RESEARCH Medical Center of the Rockies bonds downgraded to BBB. JP Morgan Chase buys half. NCBR opposes repeal of Fort Collins sales tax on groceries.

Temple Grandin publishes

WaterPik for sale for \$300 million.

"Animals in Translation."

Nalezny and Mark Kross apply for new state charter for Fort Collins Commerce Bank.

February - Gerard

Call centers to add hundreds of jobs to the region.

Johnstown joins NCEDC.

Kodak sells 1,400 acres in Windsor to Broe Cos.

March

NCBR supports "SuperSlab" toll road from Wellington to Pueblo, and continuing Fort Collins' quarter-cent sales tax for street maintenance.

Environmental impact studies under way for NISP. NCBR supports the project.

April - Arrest warrants issued for Bernie Simon fugitive New becomes Production Frontier banker Fred Manager of NCBR. Allison on charges

past \$2 a gallon. St. Michael's starts

Gasoline prices surge

May

commercial center in Greeley.

Spiro Palmer named

LSI consolidation leaves 10-year-old, \$10 million building vacant.

Rocky Scott joins McWhinney Enterprises.

June - Fred Allison arrested in California.

> **Bayer Properties** halts Summit Front Range. Foothills Mall rethinks expansion.



Weld EDAP; Larry Bui over in September.

ICONS, from 1

October, featured 40 regional icons, "people, places and things that shape the region's identity." They ranged from beer and cinnamon rolls - not both for breakfast, please - to railroads and Rocky Mountain National Park. Joe Tennessen, Pat Stryker, Tom Sutherland, Sonny Lubick and W.D. Farr shared billing with KUNC, Centerra, the Stanley Hotel, the Greeley Stampede and Bruce's

Who made the cut and who didn't was a discussion itself that extended over

What's up next

July 30	2006	Education/Tech Transfer
Aug. 13	2007	New Energy Economy
Aug. 27	2008	Meltdown
Sept. 10	2009	New Frontier
Sept. 24	2010	Recovery
Oct. 8		Where we go from here

Previously published anniversary stories: NoCo on the Net 1995-96 Labor and Employment 1998 Commercial Growth Tech Bust 1999 Ag Challenges 2000 2001 Transporation 2002 Security Health Care Competition 2003 Brewing

Read these stories and view the timeline at www.NCBR.com.

If you have any suggestions for other topics, or if your company or organization is celebrating an anniversary this year, let us know at www.ncbr.com, or e-mail editor Kate Hawthorne at khawthorne@ncbr.com. We look forward to hearing from you!

many months. But some things that just scream "Northern Colorado" today weren't on the radar back then.

Balloon Boy

Forget trying to tell out-of-towners about Larimer and Weld counties, north of Denver, south of Cheyenne. NCBR's coverage area can be described succinctly in two words: Balloon Boy. Richard Heeney thought launching a hot-air flying-saucer hoax from his Fort Collins backyard last year would get the attention of the Hollywood powers-that-be who would then give him a reality-TV series. When he floated the possibility that his 5-year-old was aboard the runaway balloon, he certainly got attention, and not just from the news-choppers. The FAA became involved when the deflating Mylar mushroom wobbled dangerously close to Denver International Airport airspace; local law enforcement took notice when little Falcon admitted on a morning talk show that he was hiding in the attic the whole time.

The reality for Heeney: Time in the Larimer County Jail, \$36,000 in restitution, and a public image that makes Kate Gosselin look like Mary Poppins. She could fly, too, couldn't she?

OtterBox

Curt Richardson's little company has been making rugged, waterproof cases to protect cell phones and BlackBerrys from active lifestyles since 1998, but iPhone Mania catapulted the Fort Collins manufacturer into overdrive. With the introduction of touchscreens in 2007, demand for protective cases for the delicate-yet-oh-so-expensive gadgets took off like a Mylar flying saucer. And Otter Products has been flying high ever since, filling a warehouse near I-25 and two locations in Old Town while its new headquarters is under construction, hiring throughout the recession, and receiving three major business awards in as many months earlier this year.

of theft and fraud.

This is a company that the rest of the world otter know.

Solar Panels

They're everywhere, from the roof of the Larimer County Courthouse to vast acreage on the Colorado State University Foothills Campus. Federal and state tax breaks combined with better technology some of it developed at CSU — have solar collectors sprouting from residences throughout the region as well. Legislation passed in the 2010 session of the Colorado General Assembly not only upped the ante for commercial utilities to generate more power from alternative sources, but also allowed community solar and wind gardens. Look for even more panels to sprout on those subdivision lots that went into foreclosure before the developer went belly-up.

Foreclosures

And speaking of foreclosure, in 2007, well before the subprime mortgage market went pop on the predatory-lending weasels, foreclosure rates in Northern Colorado were hitting all-time highs, increasing 30 percent from 2006 in the first quarter alone. Nearly 73 percent of the filings were on homes with original loans of under \$200,000.

With 20,437 foreclosures in 2009, Colorado spent most of the year in the RealtyTrac Top 10 among states with double-digit foreclosure rates. It seemed especially unfair, in a way. While the state did not see the fantastic run-up in prices of places like California, Florida and Nevada, where responsible homeowners could make some serious coin if they cashed out at the right time, we did watch local home values plummet and

the residential construction industry

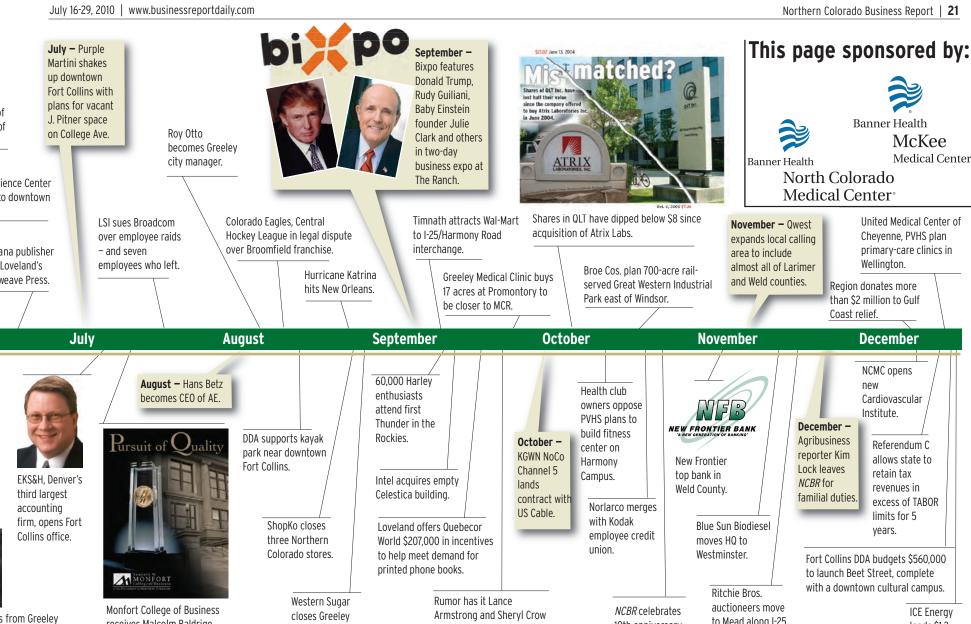
forced to its knees. The Colorado Department of Real Estate may have been embroiled in a bit of argy-bargy with former Director Erin Toll, but its Division of Housing has been out in front of the foreclosure mess. Since its inception in October 2006, Foreclosure Hotline counselors have received more than 100,000 calls and assisted more than 80 percent of homeowners reach a positive resolution with lenders.

And, hey, foreclosures aren't just for families anymore. The Promenade Shops at Centerra finally went back to the bank in June, after developers Poag & McEwan and McWhinney could not find refinancing, and the local Marriott hotels are still waiting for a resolution to their proceedings.

Medical marijuana

To ban or not to ban, and thereby add to cash-strapped sales tax coffers? Nothing has divided the municipalities of Northern Colorado quite as much as whether to allow medical marijuana dispensaries, legal under state law since 2000, within their limits. Dispensaries or as they are now known under new legislation that requires licensing at the state and local level, medical marijuana centers — have become as controversial as backyard chickens. And the results are about the same: Banned in Greeley; allowed in Fort Collins and Windsor with restrictions to blunt their impact on the surrounding community; a moratorium on new businesses in Evans and Loveland pending new ordinances. Larimer County is accepting no new applications until state regulations take effect next July. Weld County does not specify what types of crops can be grown in agricultural areas, but that's now under review.

Smoke 'em if ya got 'em.



NCBR events connect business community

scouting homes in Windsor!

Recognition leads to networking, which leads to fun, profits

receives Malcolm Baldrige

Award for Excellence.

khardt to take

"See and be seen." Words to live by in the networking arena.

As an attendee of most of the events put on by the Northern Colorado Business Report for the past decade or so, I have built much of my career around people I've met while sipping cocktails and schmoozing with the movers and shakers of the local business community.

I've watched as NCBR has continued to up the ante on events, making them bigger, brighter, more interactive and more high-impact. The standout in my mind is the evolution of Bixpo (Sept. 16 at the Embassy Suites Loveland this year, by the way).

The first Bixpo in 2005 was an unknown. NCBR's first marketing and events manager Jim Rath labored mightily for many months and performed miracles, booking big-name speakers including Donald Trump and Rudy Guiliani, but mumblings around the community offered little insight into what this ambitious event was to offer. What sort of business opportunities would there be?

As I wandered through the exhibits at the still-new Larimer County Fairgrounds, I met many companies I





beet factory.

THEN...AND NOW Dawn Duncan

hadn't even heard of before. This was their shining moment to showcase their wares and interact with the general public of our region. I left with my bagful of goodies and chalked it up to being a tradeshow; never did I think it would evolve into what it is today essential.

This and other NCBR events offer abundant reasons for us to come together and talk business — or n and really see who's out there. Who is our competition? What does Northern Colorado have to offer? Bixpo, in particular, has become more than a tradeshow; it's now a staple in how we work together. It's our chance to show and tell, see and be seen.

Like Bixpo, the events that have become synonymous with the NCBR brand — the Mercury 100 fastest-growing companies in the region, the Bravo! Entrepreneur Awards, the Economic Forecast luncheon — have evolved to

fill niches previously unoccupied in Northern Colorado.

10th anniversary

Business recognition

Back in the day, our region didn't really recognize businesses for doing business the right way. Each year, one or two companies would receive awards for their philanthropic contributions, but NCBR shifted the focus back onto contributions to the business community.

I was actually on one of the first Mercury 100 lists — way down there, for sure, but nevertheless, I was honored and very motivated to be part of the awards ceremony. Even better, at that event I met someone who would become one of my all-time favorite recruiting clients. He and I spent the evening telling jokes and discussing life outside of business, which led to a tremendous mutually beneficial business relationship as I assisted him in building his company, one employee at

Yes, I have also had the privilege of being a Bravo! nominee several times, but more important, I've had the opportunity to see so many of my colleagues and clients honored for their truly remarkable efforts in giving back to their people, our community and the world at large. Categories like "Emerging Entrepreneur" celebrate the innovative and intriguing nature of our businesspeople and offer something to strive for. Seeing people I know being recognized for the blood, sweat and

tears they have put into their companies has been incredible.

lands \$1.3

million deal in California.

to Mead along I-25.

What would our community look like without all of these chances to mingle, celebrate and connect? It is my appreciation of these opportunities that keeps me signing on to attend events and grow my network. Now, years into it, it's like seeing family, but in a good way. You know who is going to be there and you look forward to engaging again with those who have helped you along the way and supported you even through tough times. The fraternal nature of these events is what keeps me coming back and I cannot fathom what my work life would be without them.

NCBR events offer me — an admitted social butterfly and full-fledged participant in the community — everything I need to be successful: a chance to connect. By meeting new people and nurturing relationships, I add value to my personal and professional life. I realize not everyone lives on this level of social engagement, but I truly believe there is something for everyone at NCBR events. Maybe you engage with just one to two people, but you create solid foundations with them that last and grow for years to come.

Social entrepreneur Dawn Duncan has appeared in the pages of NCBR since 1998, was a member of the Class of 2004 Forty Under 40, and now works as senior account manager for A-Train Marketing in Fort Collins.

www.ncbr.com | July 16-29, 2010 22 | Northern Colorado Business Report

"There's nothing wrong with a good 100-megawatt project, and we've done quite a few of those."

Gary Hardke, president **Cannon Power Group**

CSU, from 3

mated \$500 million financing.

Hardke said he expects no problem obtaining financing for Maxwell Ranch.

"We have very strong sources of financing," he said. "The only thing that really matters is that we're able to go through a successful project evaluation process where we'll address such issues as transmission lines, permitting - basically a 'fatal-flaw' kind of examination. If we can do all of that, I don't see financing as being an obstacle."

Wind power interest growing

Indeed, financing for wind projects has never been better. Cannon recently received a cash grant of \$200 million from the federal American Recovery and Reinvestment Act to fund an extension of its Windy Flats/Windy Point project in Klickitat County, Wash.

Expansion of the project was expected to create more than 250 jobs and more than \$32 million in community and state benefits. That's in addition to more than 350 jobs and \$145 million in local economic benefits already provided by the project.

Hardke said wind projects are finding lots of support from the federal government, which has declared a commitment to increasing the nation's alternative energy supply, and from local jurisdic-

"It's really been on a rapidly ascending growth curve," he said. "One of the things that is new is a realization and appreciation that local stakeholders now have for wind projects as being economic engines for local development."

Hardke estimated that 75 percent of the jobs created by the Windy Flats/Windy Point project were filled by residents of Klickitat County.

"We'd be looking to do that very same thing in Colorado to maximize the local benefit to the community from the (Maxwell Ranch) project," he said.

Curt Dreyer, Klickitat County planning director, said Cannon was cooperative throughout the permitting process for Windy Flats/Windy Point and that the project moved along smoothly.

'There were no major problems," Dreyer said. "(The company) was cooperative in efforts to identify environmental impacts and to mitigate impacts."

CSU impressed

Bill Farland, CSU's vice president for research, said Cannon's track record is impressive and a good indicator that the company will be able to make the project a reality.



"I think they repre- FARLAND sent a very successful

developer and we are very interested in the work they did on the last project (Windy Flats)," he said.

Farland said the ultimate size of the Maxwell Ranch project remains to be

"The size of the project is really going to be determined by the developer," he said. "Cannon will do their own due diligence to determine the size, but I think we're still in the same (100-MW) ball-

When it was first announced in 2007, the Maxwell Ranch "Green Power Project" was touted as eventually providing all of CSU's electricity needs and enough surplus to sell to utilities and/or other higher education institutions in the state.

Farland said there is currently no specific target date for breaking ground on the project, which still must go through extensive permitting and citizen comment.

"That's not our decision, it's Cannon's decision," Farland said. "We've agreed to look hard over the next seven months at all of the issues. Ideally, we'd like to break ground within the next year, but that's really their decision."

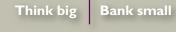
Farland said once the project is completed, Cannon would have the right to keep it, sell it to a group of investors or sell it to a utility, as was done with Windy Flats. CSURF, as the CSU partner, would receive lease revenue and an agreed-upon amount of power from the project, both of which remain confidential at this point.

Hardke said it's possible that Cannon may contract with Vestas Wind Systems to provide wind turbines for the project. He said the company has used Vestas turbines for some of its previous developments.

"We're doing a project evaluation, and part of that is to decide which turbines would be the best fit depending on the particular wind conditions each site has, along with pricing considerations," he said. "Certainly, Vestas would be on

Hardke said even though Cannon has many wind-farm irons in the fire, he's not worried about the company getting spread too thin.

"We have a lot of folks who are very experienced, and we've worked together many years and can multi-task very readily," he said. "The last thing we would do is commit to a project we couldn't finish optimally."





"The secret ingredient in our Sunset Stout? The SBA loan that got us started."

Colin and Shannon Westcott have introduced something new to craft brewing in Fort Collins. At **Equinox Brewing** beer lovers can sample hand-crafted ales and lagers in a shaded beer garden, and then go next door to Hops and Berries for the recipe and all the supplies needed to brew the same beer at home

"Our dream was to brew premium, boutique beers and share our expertise with beer-lovers," says Colin. "Thanks to the SBA loan that Home State Bank provided, our dream has come to life."

"We really appreciate the low rate on our SBA loan," says Shannon. "Home State Bank made the whole process easy. And Kathe set up our construction loan so we'd pay low, interest-only payments until we opened for business. That helped a lot!"

If you'd like to sample the incredible flavor of a fine, small-batch beer, visit Colin and Shannon at Equinox Brewing. But if you're looking for an SBA-backed loan to start or expand your business, call the SBA lending experts. At Home State Bank.

Call Kathe Mehlbach in Fort Collins: 970-613-2172 Or David Besch in Loveland: 970-622-2361





BANKING & FINANCE

Market corrections can create more opportunity

Global recovery after end of China's peg to U.S. dollar?

Stock market corrections can be unnerving and unpleasant, but they can also create opportunities. As long as corrections are not precipitated by rich valuations, high and rising inflation, overly bullish investor sentiment or a looming recession, lower stock prices can be considered a gift.

As best we can tell, none of the

above potential concerns are present. The forward price/earnings ratio on global equities, now at 12, is at the low end of its historical range. The global dividend yield is also historically high, relative both to cash and developed-country sovereign bond yields.



COLUMN Jeff Applegate

As for inflation, the U.S. Consumer Price Index was just 2 percent higher in May than a year earlier and, excluding food and energy, just 0.9 percent higher. Even in strong-growth countries like China, we expect that inflation will peak this summer. Indeed, in some European countries and in Japan, deflation is a larger concern.

Sentiment sours

Sentiment is hardly bullish. In fact, the recent correction prompted one of the most dramatic two-week declines in investor sentiment that we can recall. According to the American Association of Individual Investors Survey, the portion of investors that are bullish fell to 30 percent on May 27 from 48 percent on May 15 while, in the same period, those that are bearish rose to 51 percent from 34 percent. Low investor optimism and a bull-bear spread of 21 percentage points are more associated with market bottoms than with tops. In a related manner, periods of low consumer confidence, as measured by the Conference Board and currently at 52.9, historically have signaled solid equity performance. In fact, for the year following, returns have averaged 21.1 percent, being positive 90 percent of the time.

No double dip

The recent correction also appears to be an opportunity because there is no recession in sight. Indeed, China's recent decision to end its currency peg is an additional positive action for global growth. It increases China's purchasing power, reduces inflation and lowers the risk of an act of protectionism by the United States — a potential response that was gaining traction before China acted. Finally, the move further increases the importance of the emerging market consumer for global growth while making that growth more balanced.

Concurrently, the Economic Cycle Research Institute's 19-Country Long-Leading Index shows that the global recovery is still under way, although the pace of growth should slow as the recovery matures. The index turned down dramatically before the Great Recession and then reversed sharply to signal a far more robust early phase of economic recovery than was widely anticipated last year. Economists at Morgan Stanley and Citi are forecasting a sustained global recovery in 2010 and 2011. For 2010, Morgan Stanley forecasts global growth near 5 percent, developing-country growth in excess of 7 percent and U.S. growth above 3 percent. The prospects for southern Europe, however, appear less bright.

Wall of worries

There is an old saying on Wall Street, "Markets stop panicking when policy-makers start panicking." Worries have intensified over the sovereign debt problems in southern Europe. After centering on Greece's debt, financial markets have begun to focus on debt problems in other peripheral countries in the European Monetary Union. Keep in mind the following analytical framework: As a serious crisis heats up, it will reach a point that evokes a policy response. That policy response grows until it finally gets ahead of market concerns. At that time, markets recover and with a lag — economies recover, too. In our view, the sovereign debt crisis in Europe is well into the policy-response phase, and market recovery is under way.

Robust profits

Helping to make the case for equities is a bright outlook for corporate earnings. Morgan Stanley now estimates that Standard & Poor's 500 profits will grow 35 percent in 2010, Citi expects 29 percent and the consensus of Wall Street analysts calls for 34 percent. Consensus forecasts also expect a profits gain of 22 percent for the MSCI All Country World Index and 25 percent for the MSCI Emerging Markets Index. High-yield and high-grade corporate bonds would also likely benefit from a strong profits recovery.

Favor risk assets

As the global recovery transitions into expansion and some central banks tighten credit, our analysis suggests that risk assets — equities, corporate and emerging market bonds, REITs and commodities — remain attractive relative to safehaven assets such as cash, sovereign debt and inflation-linked securities.

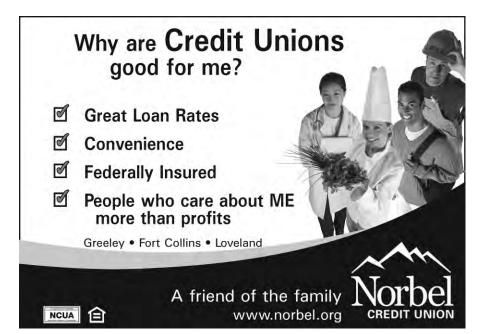
Jeff Applegate is Chief Investment Officer of Morgan Stanley Smith Barney.

This material has been prepared for informational purposes only and is not an offer to buy or sell or a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy.



ongoing certification requirements.
Investment Centes of America, Inc. (ICA), member FNIRA, SIPC, is not affiliated with Home State Bank. Securities and insurance products are offered through ICA and affiliated insurance agencies and are: not insured by the FDIC or any other federal government agency; not a deposit or other obligation of, or guaranteed by any bank or its affiliates; and subject to risks including the possible loss of principal amount invested.

Certified Financial Planner Board of Standards, Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and 🛹 which it awards to individuals who successfully o





The bottom line. Make your business great.

Great Western Bank is built upon nearly a century of solid, prudent practices—and growing stronger every day. As we thrive, so will you with convenient locations, continued lending and programs that give back to our communities. In a challenging world, we're still here. Strong, growing and making life great.

Fort Collins: 3711 JFK Pkwy., Suite 100 · 970.206.4585 151 S. College Ave. · **970.226.1080** GreatWesternBank.com





24 | Northern Colorado Business Report www.ncbr.com | July 16-29, 2010

HEALTH-CARE REFORM ROUNDTABLE

ROUNDTABLE, from 1

and Trautwein, which works with insureds and small businesses dealing with health insurance. Trautwein previously served as both inside and outside counsel to Blue Cross Blue Shield of Wyoming.

STEVE PORTER: What is the immediate impact of this law for each of you? How you will be interacting with your patients, clients and customers?

YVONNE MYERS: I think there's too much unknown about it to really know what its impact is going to be, so I think what it's done for us in health care is just stopped us from moving anything forward. We don't know where Medicare dollars are going to flow.

What we've seen in the last year is an increase in the audits of the Medicare clients that we see. Say a resident has stayed with us in our skilled nursing facility under Medicare. They are discharged. They go home. Then the government pulls in and decides to audit that chart. We have gone to a huge internal system of almost a 1,000-page packet produced with real clear lines so that these third-party auditors can really understand whether this client was supposed to be seen and to get all the services that they were supposed to get. But the first denial was (because) we rehabilitated this person to a status better than

their status prior to going to the hospital. So the message is we're only supposed to reĥab you to the level you were at prior to going to the hospital but you could have been in this declining, dwindling state prior

"We're in a conservative mode ... because we don't know what it means to us."



Meyers

to hospitalization. We're not supposed to rehabilitate you to that level. That's a cut in Medicare, that's not allowing services to you.

So when we are already dealing with that, we are already dealing with changes in the Medicaid system, and reimbursements and all that, then the health-care bill moves there without a whole lot of direction or guidance. We're in a conservative mode in regards to sponsorships and donations to nonprofits in the community because we don't know what it means to us. We are in a give-the-best-care-that-we-can mode but not a let's-grow-and-develop mode.

JOHN BENDER: The way that Miramont Family Medicine interprets it would be completely different. We see it as a very strong signal for primary care to wax forward strongly. This bill calls for a 10 percent increase (in reimbursements) for physicians who are providing at least 60 percent of their services as primary care providers. The reason for this is when we look at other developed nations, they're delivering health care at

a fraction of the cost with better outcomes. We're 37th in the world "We see it as a very strong signal for primary care to wax forward strongly."



for certain

metrics, like

infant mor-

tality,

longevity.

We're

spending

\$8,000 per

citizen;

other devel-

o p e d

Bender

n a t i o n s, particularly in Europe, are spending \$4,000, \$3,000, and they're having better outcomes. And they have a very strong primary care base. At the federal level, the concern is how do we get people back into primary care?

In Fort Collins, we've seen 34 primary care offices wash out in the last eight years, and eight of those were bankruptcies. It's much been like being a family farmer, it's a cottage industry being wiped out, largely at the hand of big monopoly insurance companies. In Colorado we, essentially, have two—Blue Cross and United—so (we have) take-it-or-leave-it contracts.

We've gone from spending 6 percent of our Gross Domestic Product on health care in the 1970s to now where we are spending 12 percent, 14 percent, predicted to go to 18 percent. No one can afford that. The bills in my office are never more than hundreds of dollars. They're never thousands of dollars like they are in a specialist's office, and they're never tens of thousands of dollars like they are in the hospital. An ICU stay for a month can cost a half million dollars. I have 47 employees and four locations, and my entire organization would have to work six days a week for several months straight to generate a half million dollars in charges. So if I keep one or two people out of an ICU, it's a huge return on the investment, huge.

The feds know this, and yet they see all the primary care docs abandoning ship. Two percent of U.S. medical students graduating last year said, 'We'll go into internal medicine.' Now, more than that went into family medicine, but only 2 percent went into internal medicine. In Europe, 50 percent of the graduates go into primary care.

Statewide the average family physician earns \$158,000 a year; in Fort Collins, \$106,000 a year. And they're graduating with \$200,000 in student loan debt. No one wants to do my job with that kind of income potential. And if the insurance pays this much, and the cost of labor to hire nurses, medical assistants, the cost of supplies, is (this much), way up here, it doesn't work, right? Business people know this.

MASOUD SHIRAZI: Working with employers with the different level of benefits they offer, as Yvonne indicated, it is very unclear. When the law passed in March with 2,000 some-odd pages, I believe about 1,100 times it referred to the Secretary of Health and Human Resources would clarify or shall clarify some of the issues. So there is a lot of unknown factors. But what we have focused on in our organization is how to

educate the employees and employers about the immediate changes.

As you know, the law will take effect on the renewal of the different groups after six months, which will be September. But a lot of major changes will not really take effect until 2012, 2013, 2014, and it goes all the way to 2018.

The immediate change that is going to take effect most likely after September — most of it will be Jan. 1 because a lot of renewals are coming up Jan. 1 — is a change in the dependent age. Now (insurance) will cover all the dependent children up to the age of 26. Before, most of the groups were covering the children up to age 19 if they were not students; if they are students, maybe up to age 23. Now, basically, the cap has been taken off, and all the children will be covered until the age of 26. It doesn't matter if they are married or not, which is interesting, and

that has confused a lot of people, too.

The law in dicates that if they do have access to other coverage, then they should not be cover e d through the family coverage. But

"A lot of employers, they have maybe a million dollars coverage, \$2 million or \$5 million. Now that cap has been taken off."



Shirazi

in my own situation, if I have a son, 24 or 25, and working, but because I have family coverage, it doesn't matter if I have one kid or five kids, the premium is the same to my employer. So why would I let my son be covered through his employer and be paying additional premiums? There is no clear understanding how they will control that.

Another (immediate change) is unlimited coverage. A lot of employers, they have maybe a million dollars coverage, \$2 million or \$5 million. Now that cap has been taken off. And a third would be that all the children under age 19, all the (restrictions on) pre-existing conditions are going to be waived. Already a lot of actuaries and a lot of underwriters think that will add 2 to 2 1/2 percent to the cost of health care.

I agree that there is a shortage of primary care physicians, and that's why maybe a lot of people are ending up in the emergency room or urgent care. Because one of the biggest complaints we hear from our insureds is that when they call a doctor's office and they want to make an appointment, if it's not a emergency situation, they say, 'Well, I can't see you for another two weeks or two and a half weeks.' So when they say, 'Well, I really need to see a doctor,' they say, 'If it's an emergency, then go to an emergency center.'

A number of different insurance companies now are really focusing to promote primary care physicians and reimbursement at a higher level. Definitely there is a need for more primary care physicians. If right now we have a shortage of primary care physicians, because they don't get paid adequately, or they are not interested, but if



we add another some million people to our health care, are we going to overcome that issue?

I think we still have one of the best health care systems in the whole world. Is the cost an issue? Yes. In the last few years, technology has reduced the costs in a lot of different types of professions, and has made us run a lot more efficient. In one area that technology has cost more — medical — because everybody wants to have the big MRI, more updated MRI and CAT scan and everything else. So that's one industry that technology has not reduced the cost. As a matter of fact, it has increased the cost.

BLAIR TRAUTWEIN: I represent a large number of small employers who either elected or have been forced to go without insurance. The cost of insurance has been going up. My own insurance

has been going up 10, 15 percent a year. Μ deductible gone from about \$1,000 to \$10,000, and the number of employees that are on my group plan have gone from 15 to six in





Trautwein

ous seven to eight years. Why? Because if they can buy individual insurance cheaper they do it. No questions asked.

In my own immediate family my son, who's age 22, is not on my insurance because for a \$10,000 deductible he would pay \$220 month; he pays \$150 for a \$1,000 deductible on individual health insurance. It's not a hard choice.

The new plan, over time, will end all the individual policies that are not on the exchanges, all the group policies that are not on the exchanges. This will have the effect of taking a segment of the population and forcing them all, essentially, to be community rated, i.e., all the risks good or bad are going to be rated together. Theoretically, that would have the effect of lowering premiums for the people who are unhealthy, raising the premiums for people who are healthy. Government plans, large employers, large union plans are not part of the new coverage. They get to keep what they have indefinitely. So you've got a large group outside the group.

What you're going to have, initially, in these exchanges are lots of people like me

July 16-29, 2010 | www.businessreportdaily.com

HEALTH-CARE REFORM ROUNDTABLE

ROUNDTABLE, from 24

who have expensive insurance. We may have marginally cheaper insurance, maybe less deductibles, and I'll be forced into these exchanges. Over time, I don't know that it will be any cheaper but that will be the initial impact.

The impact of pre-existing conditions? Obviously it has to raise the cost of insurance. The reason is because people will continue to elect not to have insurance. Your incentives are set up so that you can go without insurance until you get sick, buy insurance the first day you are in the hospital. That's got to be more expensive than putting everyone into an insurance policy up front. And I would agree with the conclusion that elimination of pre-existing conditions, although beneficial in many ways, will lead to higher premiums.

They did not take care of the problem of what happens when a guy gets seriously ill, and he can't afford to pay his insurance premium. If I have disability insurance, or life insurance, or other types of insurance, under certain conditions you don't have to pay your premium. Because we don't have that in health insurance, small groups repeatedly will get an owner who has cancer or some other serious illness who can't pay his premium. He ends up halfway through the treatment without insurance.

I think we will still have issues of medical necessity, I think we'll still have all these issues with the exclusions we have today. It will just be a different arbiter, maybe or maybe not, deciding who is and who is not insured. Unfortunately, I don't trust government bureaucrats anymore than I would trust insurance bureaucrats.

Dr. Bender raised a point that the cost of health care has gone up, essentially double the rate of inflation since the '70s every single year. I put the issue back to the passage of ERISA in the early '70s. When I was a young man, Blue Cross Blue Shield of Wyoming had three rates. Whether you were a group or an individual, you paid an individual rate, you paid a husband-and-wife rate, or you paid a husband-wife-and-kid rate. In the late '70s they were forced into age-rating by the insurance department of the state of Wyoming. Why? Because they couldn't compete if they weren't age-rating. And that continued to get worse.

We worsened our problems in Colorado because we favored the individual insurance over the group insurance, i.e., by law we do not require employees whose employer has insurance to be a member of that group. That

means the employer has only the bad risks in his group. That's why small group insurance in Colorado has become so expensive. That's why more and more groups go to \$10,000 deductibles, like our

"Unfortunately, I don't trust government bureaucrats anymore than I would trust insurance bureaucrats."



group has, pure and simple.

Shopping for insurance

PORTER: What should employers be looking for when they go shopping for insurance?

SHIRAZI: Well, at the present time, a lot of employers do have a consultant or a broker. And, really it's the broker's obligation, fiduciary responsibility, to look at all the different products and different carriers available in the market. When you look back, in the mid '70s or '80s, we had almost 70 or 80 different insurance companies who were selling health insurance. And now, in today's market in Colorado, we maybe have six or seven carriers. With most of the employers

now, we do not offer only one We plan. offer different types of plans because people's needs are different. The majority of the employers contribute the same amount of dollars for

"It's the broker's obligation, fiduciary responsibility, to look at all the different products and different carriers available in the market."

the cost of the premium for individual

or family, but then it's up to individuals to decide which plan would fit their family needs best.

KATE HAWTHORNE: Lots of people who work for a small business get their coverage through their spouse who work for a larger business.

TRAUTWEIN: Or for the govern-

HAWTHORNE: Or PVHS, or whatever, so does that affect employers' thinking? Do they factor in a certain percentage — say I have 10 employees but only five are going to take my insurance?



www.ncbr.com | July 16-29, 2010 **26** | Northern Colorado Business Report

HEALTH-CARE REFORM ROUNDTABLE

ROUNDTABLE, from 25

SHIRAZI: A lot of insurance companies, they require 75 percent of eligible employees to be covered under that group to be qualified. Then we have to define what is eligible. So the example that you used, if I'm working for your organization but my spouse is working someplace else, then I can go on my spouse's insurance and then I'm not in that eligible percentage. With a lot of our groups, we may offer low deductibles and low co-pay PPO for those people that they want to have higher coverage, but at the same time they are paying higher premiums out of their paycheck. And then for some young healthy people

or people that are maybe in a higher tax bracket, the Health Savings Account is a good option. That, basically, has a higher deductible. All the preventives are covered from the first dollar. But then between the employer and employee you can put some money on a pretax basis in the HSA that you utilize for those expenses that are covered.

HAWTHORNE: Does the new law make any changes to the HSA?

SHIRAZI: Yes. There are going to be some changes in HSAs as far as how much you can put in. But it is not going to take effect immediately.

TRAUTWEIN: And the HSA is very

hard to use. The concept of an HSA is you pay your out-of-pocket bills out of the HSA, but your out-of-pocket is always greater than you're allowed to take out of the HSA. If you put any additional money into that account, you have to pay additional tax on that money. You not only don't get the deduction, you have to pay tax on it. So you can't use a single account to pay your out-ofpocket medical bills if you've got an HSA. You've got to be aware of all those little rules that the government imposes that, quite frankly, most people don't

SHIRAZI: And the HSA would fit a segment of the population, the healthy, the high-tax bracket people, but it doesn't fit everybody's needs. If I have four or five kids, and they're running to the doctor and to the emergency room for a runny nose and everything else, maybe the HSA is not the best

"I would highly encourage ... doing a per-member permonth fee to a patient-centered medical home.'"



option. And that's why we offer a number of different

plans to the employers. As a matter of fact, even if you have a group of 10, Anthem Blue Cross Blue Shield would offer different plans and each person can have a different plan. That gets a little more complicated for the employer and for the employees as far as communication, but flexibility, I think, has become a pretty important part of our health-care system.

BENDER: For employers who are self-insured under the ERISA plans, I would highly encourage them to demand from their underwriters to look at doing a per-member per-month fee to a patient-centered 'medical home' as a cost-containment strategy. My particular practice is in a pilot with two employers and we're able to demonstrate some cost containment. But employers have to ask for it, it's kind of hidden.

Now some employers say, 'We're already spending too much on health care. We can't spend even another \$7 per member per month to be giving to some primary care doc.' But then it boils down to, do you believe in the model? Do you believe that if you front load in preventive care that you end up with better outcomes? I do. That's why I practice primary care medicine.

SHIRAZI: Dr. Bender, don't you think we already have a pretty good portion of our health care system socialized between Medicare, Medicaid, indigent

BENDER: I'm OK with a single-payer system. If they lowered the eligibility to age 18, I'd be fine with that because I actually make money with Medicare. The difference is socialized medicine would be if the government suddenly owned my building, and if my 47 employees were suddenly federal employees. They're not. See, if everyone had Medicare, then I'm like a defense contractor, right? I'm just doing business with the government, right? And if my system delivers it better than the other docs in town, and then I suddenly grow – and I am growing, I opened a fourth location Feb. 1 in the same economy where 34 docs have wiped out — that's market forces, right? So if I'm growing because my system does it more efficiently with less waste and I have better outcomes, then no one should have a problem with that. That's market forces.

TRAUTWEIN: Now, the hang-up is, over and over again, you see very profitable Medicaid clinics, at least on the



July 16-29, 2010 | www.businessreportdaily.com Northern Colorado Business Report | **27**

Largest Fort Collins Employers Private sector, ranked by no. of employees



RANK	COMPANY ADDRESS OFFICE PHONE/OFFICE FAX	EMPLOYEES-LOCAL 2010 EMPLOYEES-LOCAL 2009	REVENUES 2009 REVENUES 2008	TYPE OF BUSINESS	E-MAIL WEB SITE	PERSON IN CHARGE TITLE YEAR FOUNDED
1	POUDRE VALLEY HEALTH SYSTEM 2315 E. Harmony Road, Suite 200 Fort Collins, CO 80528 970-237-7000/970-237-7090	4,435 4,269	\$568,785,000 ① \$512,797,000	Health care, including Poudre Valley Hospital, Mountain Crest Behavioral Health Center and Medical Center of the Rockies, plus numerous clinics and outpatient facilities.	pvhs@pvhs.org www.pvhs.org	Rulon F. Stacey, President/CEO 1925
2	CENTER PARTNERS 4401 Innovation Drive Fort Collins, CO 80525 970-206-9000/970-282-9225	1,600 1,275	N/A N/A	Customer contact and multimedia e-learning solutions.	info@centerpartners.com www.centerpartners.com	David Geiger, CEO 1997
3	COLUMBINE HEALTH SYSTEMS 947 Worthington Circle Fort Collins, CO 80526 970-482-0198/970-482-9148	1,355 1,250	N/A N/A	Nursing home, assisted-living, independent living, therapy, medical equipment, restaurant, catering, convention center health club, medical and non-medical home health-care and pharmacy services at 22 sites.	yvonnemyers@columbinehealth.com www.columbinehealth.com	Yvonne Diana Myers, Health systems director 1971
4	WOODWARD GOVERNOR CO. 1000 E. Drake Road Fort Collins, CO 80525 970-663-3900/970-498-3214	994 925	\$1,430,125,000 \$1,258,204,000	Design and manufacture of industrial controls for energy controls and optimization solutions.	N/A www.woodward.com	Tom Gendron 1870
5	ANHEUSER-BUSCH FORT COLLINS BREWERY 2351 Busch Drive Fort Collins, CO 80524 970-490-4502/970-490-4506	700 700	\$36,758,000 ①① \$23,507,000	Brewery. Holds interests in the entertainment, packaging and agricultural industries.	N/A www.anheuser-busch.com	Kevin Fahrenkrog, General manager 1988
6	AVAGO TECHNOLOGIES 4380 Ziegler Road Fort Collins, CO 80525 800-235-0312/N/A	650 N/A	\$1,480,000,000 (10/11/11) \$1,700,000,000	Supplies analog interface components for communications, industrial and consumer applications.	support@avagotech.com www.avagotech.com	Hock Tan, CEO 2005
7	INTEL CORP. 4701 Technology Parkway Fort Collins, CO 80528 970-898-4295/T19-273-1602	424 420	\$35,100,000,000 ①①① \$37,600,000,000	Semiconductor chip design and manufacturing.	bill.mackenzie@intel.com www.intel.com	Paul K. French, Project manager 1968
8	MIRAMONT LIFESTYLE FITNESS 901 Oakridge Drive Fort Collins, CO 80525 970-282-1000/970-282-9294	350 350	\$8,132,477 \$5,705,424	Health club with fitness and wellness programs.	chrisr@miramontlifestyle.com www.MiramontLifestyle.com	Chris Ramers Shane Hunsinger, General managers 1979
9	NEW BELGIUM BREWING CO. 500 Linden St. Fort Collins, CO 80524 970-221-0524/970-221-0535	345 220	\$125,000,000 \$93,000,000	Belgian-style craft beers, including seven year-round and four special-release brews.	nbb@newbelgium.com www.newbelgium.com	Kim Jordan, CEO Jeff Lebesch, Co-founders 1991
10	SAFEWAY FOOD & DRUG - FORT COLLINS 1426 E. Harmony Road Fort Collins, CO 80524 970-484-9534/N/A	280 283	N/A N/A	Operates 140 full-service supermarkets in Colorado and neighboring states, including three in the Fort Collins area.	homeshopping@safeway.com www.safeway.com	Brian Murphy, District manager 1927
11	TOLMAR INC. 701 Centre Ave. Fort Collins, CO 80526 970-212-4500/N/A	265 140	N/A N/A	Fully integrated pharmaceutical company. Product development, clinical trial expertise, and manufacturing.	N/A http://www.tolmar.com	Michael Duncan, CEO 2006
12	FORNEY INDUSTRIES INC. 1830 Laporte Ave. Fort Collins, CO 80521 800-482-7271/970-498-9505	235 240	\$37,800,000 \$39,000,000	Metal working product distributor. Sells to 10,000+ retail outlets in the United States.	sales@forneyind.com www.forneyind.com	Steve Anderson, President & CEO 1932
13	WELLS FARGO 3600 S. College Ave. Fort Collins, CO 80525 970-266-7776/970-266-7771	235 230	\$88,636,000,000 ①①① \$41,897,000,000	Banking, insurance, wealth management and estate planning, investments, mortgage and consumer finance.	N/A www.wellsfargo.com	Dan Gasper, Community banking president 1852
14	FIRST NATIONAL BANK 205 W. Oak St. Fort Collins, CO 80521 970-495-9450/N/A	216 230	N/A N/A	Full-service bank.	N/A www.1stnationalbank.com	Kay Garcia, Branch manager 1934
15	THE NEENAN CO. 2620 E. Prospect Road, Suite 100 Fort Collins, CO 80525 970-493-8747/970-493-5869	203 201	\$119,000,000 \$179,445,000	Integrated design-build firm specializing in education, health care, government and commercial buildings.	info@neenan.com www.neenan.com	David G. Neenan, Founder Randy Myers, President & CEO 1966
16	MILL BROTHERS LANDSCAPE GROUP 6121 E. Harmony Road Fort Collins, CO 80528 970-493-3883/970-493-4943	189 120	\$10,818,000 \$10,800,000	Design and installation of award-winning landscape and irrigation systems; year-round landscape management services.	kmill@millbrothers.com www.millbrothers.com	Kevin Mill Andy Mill, Owners 1980
17	LSI CORP. 2001 Danfield Court Fort Collins, CO 80525 970-223-5100/866-574-5742	185 200	\$2,200,000 \$2,700,000	Designer, developer and marketer of complex, high- performance storage and networking semiconductors and storage systems.	N/A www.lsi.com	Abhi Talwalkar, President & CEO Wilf Corrigan, Non-executive chairman 1981
18	INSTITUTE OF BUSINESS & MEDICAL CAREERS INC. (IBMC) 3842 S. Mason St. Fort Collins, CO 80525 970-223-2669/970-223-2796	185 140	N/A N/A	IBMC offers certificate, diploma and associate of occupational studies degrees. Programs in: medical assisting, billing and coding, pharmacy technician, massage therapy, paralegal, business/accounting and administrative assistant.	info@ibmc.edu www.ibmc.edu	Richard Laub, CEO Steven Steele, President 1987
19	OTTER PRODUCTS LLC 1 Old Town Square, Suite 303 Fort Collins, CO 80524 970-493-8446/970-493-1755	172 72	\$48,605,992 \$10,185,670	Innovators of protective solutions for mobile hand-held technology.	info@otterbox.com www.otterbox.com	Curt Richardson, CEO 1996
20	ADVANCED MICRO DEVICES INC. 2950 E. Harmony Road Fort Collins, CO 80528-9558 970-226-9500/N/A	167 150	\$5,400,000,000 ⑦①① \$5,800,000,000	Design and verification of AMD's latest processor cores, as well as cache and I/O subsystems. In addition to processor design, the Fort Collins site supports AMD's embedded processor business through testing, qualification and marketing of our embedded products.	N/A www.amd.com	Dirk Meyer, President & CEO 1969
21	MARKLEY MOTORS INC. 3401 S. College Ave. Fort Collins, CO 80525 800-226-2213/970-282-6825	160 181	\$96,144,420 \$92,427,470	Honda, Pontiac, Buick, GMC vehicles.	rbelisle@markleymotors.com www.markleymotors.com	Douglas E. Markley, President 1936
22	HILTON FORT COLLINS 425 W. Prospect Road Fort Collins, CO 80526 970-482-2626/970-224-9209	152 158	N/A N/A	Airport shuttle, free parking, car rental, coffee, business center, fitness center, indoor pool, hair salon.	jerome.oddo@jqh.com www.hiltonfortcollins.com	Ned Sickle, General manager Jerome Oddo, Director of sales & marketing 1985
23	TELVENT 4701 Royal Vista Circle Fort Collins, CO 80528 970-223-1888/970-223-5577	130 170	N/A N/A	Providing software solutions to energy and water/ wastewater utilities and municipalities around the world.	info@miner.com www.telvent.com	Andy Bennett, COO 1946
24	COOPERSMITH'S PUB & BREWING 5 Old Town Square Fort Collins, CO 80524 970-498-0483 x 1/970-498-0471	125 125	N/A N/A	Food and hand-crafted beers.	coopland@coopersmithspub.com www.coopersmithspub.com	Sandra Longton, General manager Dwight Hall, Head brewer Chris O'Mara, Operations manager Steve Irons, Phall manager 1989
25	MARRIOTT HOTEL 350 E. Horsetooth Road Fort Collins, CO 80525 970-226-5200/970-282-0561	121 113	\$6,500,000 \$7,000,000	Full-service hotel with conference and meeting facilities.	N/A www.fortcollinsmarriott.com	Richard Romane, General manager 1985

N/A-Not Available
NR-Not Previously Ranked
(1) Net revenue estimate
(2) Global earnings. Source: Yahoo! Finance
(3) Global earnings.

www.ncbr.com | July 16-29, 2010 28 | Northern Colorado Business Report

HEALTH-CARE REFORM ROUNDTABLE

ROUNDTABLE, from 26

dental side, that repeatedly overtreat to get more money per patient, per minute of time. I don't know how the incentives work at this point with Medicare and Medicaid and I'm not accusing anyone of anything ...

Electronic health records

BENDER: So that brings up a good point. Medicine horribly overtreats right now, which is why we have to look at outcomes. One of the reasons why we need electronic health records is we have no idea what physicians are doing. If we go into an office with paper records and

have, Dr. Jones?', he says, 'I don't know, let me go pull my records and I'll count. Come back three weeks.' And then we come back three weeks and later 'Well, ask, how many of your dia-

"One of the reasons why we need electronic health records is we have no idea what physicians are doing."



betics have an A1C less than 7 percent?'

- because that's a quality measure of good outcome. And, again, the guy in paper records is going to say, 'Come back in six weeks.' And as that data changes over time, they are going to have no idea of how to do it.

Now, my partners and I put \$200,000 of our own money into IT infrastructure, and we don't get paid one penny more by the insurance companies for doing that. When I submit my claims to Medicare, United Healthcare, Cigna, they pay me the same whether I'm using a paper chart or an electronic health record. But what can I do? I can take my data, and I can report to Medicare, and I can report to 17 other practices around the state as part of the Colorado Clinical Guidelines Collaborative. I can say,

'Here's my data. Here's how many diabetics I have, here is what their A1C levels are.' And we can track it over time.

On some of my metrics, I'm doing real good, and on some of my metrics, I'm doing lousy. And when I get that report card, guess what I do with it? I fix it. Because doctors are really competitive. When you give them a report card and say, 'Here, Dr. Shirazi, here's your report card. You're terrible., they fix it because they don't like being told they're lousy. So what are we doing to inspire people to put the \$200,000 into the IT infrastructure?

MYERS: You're right. Columbine Health System, we were told that nationally, we use electronic health records at the level of only 1 percent of other longterm care facilities across the country. We have 300 PCs, we are completely integrated — the issue is we are not integrated with you. And we're not integrat-

with PVH, and we can't download everything into a little zip drive and say, 'Here, patient, go home. Here's all of your information. Here's your medical record. Here's your

"If we don't look at it more on a global standpoint, it's going to be just siloed great data."



connections.' So if we don't look at it more on a global standpoint, it's going to be just siloed great data.

TRAUTWEIN: The other problem, when you talk about not having electronic records, is if you've been to your doctor for 10 years or 15 years, you have a pile of records. And he's got no way to integrate or look back over time effectively, to quickly access or compartmentalize his data in a way that gives that history in a manner that will allow him to serve the patient well. That's a difficulty long-term of any type of paper system; it doesn't collate well. Now, some doctors are more sophisticated and others have methods by which they do that, and some don't. It seem like the hospitals are moving towards the electronic records a lot quicker than most doctor's offices are. There's no reason technologically that the person that is coming to see you can't get a zip drive of his records to take them over to the doctor, or his X-rays to the specialist who is in Denver. And, of course, what happens is if he doesn't have his records? Another X-ray.

BENDER: Right. So they get duplication of services. Now, the good news is that there is ARRA stimulus money (for electronic medical records). Some of this actually started under the Bush Administration, and Gov. Ritter has put together CORHIO, the Colorado Regional Health Information Organization. They have money to help do health information exchange, HIE, so that we can do the silo-busting Yvonne was talking about. One of the reasons



the Bixpo exposition hall. Whatever your game,

BUSINESS AFTER HOURS IS A FRESH START FOR CREATING REGIONAL RELATIONSHIPS.

Presented in partnership with the Fort Collins Area Chamber of Commerce, Loveland Chamber of Commerce, Greeley Chamber of Commerce and Wellington Chamber of Commerce.

SEPTEMBER 16 • 5:30 - 7:30 P.M. • EXPOSTION HALL SPONSORSHIPS AND TICKETS AVAILABLE!

Contact De Dahlaren at 970.221.5400 or www.ncbr.com

¿Public Service Credit Union Event Architects:

THE GREELEY STAMPEDE WOULD LIKE TO SAY A SPECIAL



FOR SPONSORING THE 88TH ANNUAL WESTERN CELEBRATION



























































































100.7 KOLT FM
Art Guttersen Truck Wash
Bank of Choice
Bicycle Playing Cards
Boot Barn
Cache Bank & Trust

Colorado's Best Chevrolet Dealers Denver Post Ghent Chevrolet JBS JBS Five Rivers Cattle Feeding

Kennedy & Coe
Kum & Go
NextMedia Outdoor
New West Bank
NCMC Sports Medicine
Open Range Communications

Poudre Valley Health System
Public Service Credit Union
RE/MAX
Western Dairy Association
Wm. Moore Jewelers
Wrangler Apparel

THE 89TH ANNUAL GREELEY STAMPEDE

Justin Sports Medicine

JUNE 24-JULY 4, 2011

www.ncbr.com | July 16-29, 2010 **30** | Northern Colorado Business Report

Northern Colorado Business Report - REPORTS LIVE

HEALT INSURAN

July 20, 2010 7:30 a.m. - 9:30 a.m.

Embassy Suites - Loveland

Content: Industry experts addressing what recent health care reform means for large and small businesses and what businesses need to do to be in compliance

Keynotes: What changes under the recent legislation?



Lorez Meinhold

Director, National Health Care Reform for Colorado



Joan Henneberry

Executive Director, Colorado Department of Health Care Policy and Financing

How-to-implemement issues from these perspectives:

Human Resources - Speaker: Jessica Hergenreter, **Employer Solutions Group**



Accounting and Tax Credits - Speaker: Paul Mueller,

Mueller &

Associates, CPA

Health Insurance Options - Speaker: Jason Jarvis,

Centennial Benefits Group, A Member of PFS Insurance Group, LLC



Who needs to be at this informational event? All business owners and managers responsible for implementing the new health care reform/insurance policies.

Small business owners **Human resource managers** **Benefits administrators** Company controllers

Accounting managers Tax accountants



Cost: \$32 per person

light continental breakfast

Presenting Sponsor:









Centennial Benefits Group

Register online - NCBR.com. Click on events.

Corporate tables and sponsorships are available. Contact De Dahlgren - Events@NCBR.com for more information

ROADS, from 2

issues. "There's been quite a bit of community conversation," Jones said.

Different approach

Fort Collins resident and former city official Rich Shannon is shopping around the idea of using a hybrid system that would substitute a residential street maintenance fee for continued reliance on sales tax funding.

Shannon suggests that the existing sales tax could be used to maintain the main commercial roads in Fort Collins while residents could be charged a utility fee, the proceeds of which would be used only to maintain residential streets.

Shannon, who now works as a private consultant and serves on the Northern Colorado Business Report editorial board, points out that many city services, such as stormwater, evolved to a utility system as long as 60 years ago. The utility fee, he maintains, is a more stable financing mechanism that directly ties revenue with use.

"I've been an advocate of this for years," he said. "With the current financial strain, this is a moment of opportunity to make good public policy and put in place a long-term solution."

Despite Shannon's attempts to present the fee as an alternative, it looks as though a sales tax increase is likely to head to the voters.

"That hasn't been focused on as much," Jones said of the fee. She anticipates that the council will continue to focus on sales and use tax as the street maintenance revenue source, with the level of funding the variable factor.

The city of Fort Collins had a street utility fee set up in the mid-1980s, but it was challenged in court. District court found that the fee was not valid, but that decision was later overturned by the Colorado Supreme Court. However, by that time the city had moved on to its current sales tax and general fund model.

Jones added that the city had discussions about setting up a transportation maintenance fee a few years ago. It didn't gain much traction, though, since fees are a major source of funding for other programs in the city.

Loveland fees for upkeep

The utility fee is not a new mechanism. It has been in place, with seemingly favorable results, in the region's third largest municipality for several years.

Loveland implemented its street utility fee in 2003 after voters rejected several sales tax measures. The fee is assessed to both residential and commercial properties but at different rates calculated on the amount of traffic a particular building might generate. For example, residential utility customers are charged about \$1.25 per month on their city utility bill. An industrial user would pay \$13.92 per acre, while a high-traffic retail establishment, such as a drivethrough restaurant, would pay \$139.24 per acre.

Keith Reester, Loveland director of public works, explained that the streets budget is broken into two main categories: rehab and maintenance, which are funded in part by the utility fee; and capital projects, which includes complete rebuilds of roads.

"One of our goals is to keep as many streets as possible out of that category," Reester said. With that in mind, the city tries to touch every road with some type

of maintenance activity every seven years.

The fee has only had one adjustment in its seven-year existence. Reester feels the fee would benefit from being indexed to adjust for price fluctuations and prepare for the future. From 1995 to 2010, the city's lane miles increased 30 percent, which he worries will lead to a maintenance bubble.

"Our objective is to avoid that," Reester said.

Loveland's system has become a national model. Reester has presented it several times, most recently at an American Public Works Association meeting in April in Grand Junction.

Roads share Greeley food tax

The city of Greeley funds its street maintenance with a 3.46 percent food tax, which has been renewed with no change every five years since 1990. Revenue generated is used for not only street maintenance, but also upkeep of public buildings, parks, swimming pools, city sidewalks and other infrastructure.

The tax is set to sunset in 2011, so Greeley will likely have an item on its ballot to continue funding street maintenance. In anticipation, the city kicked off a public process that includes meetings, online questionnaires and door-to-door surveys to gauge what residents want in terms of street quality — and how they want to pay for it.

"The food tax is inadequate," said Greeley Public Works Director Joel Hemesath. "(Street maintenance has) been under-funded for a long time, and now we are way behind."

In a report to city council earlier this year, Hemesath projected that annual funding of \$9 million to \$10 million would be needed to improve pavement quality. If the current \$3 million level of funding is maintained, he predicts Greeley's streets will deteriorate to an estimated PQI of 41 by 2015.

The average PQI in Greeley is currently 49 — the goals are 65 for neighborhood streets and 70 for major roads - not far from moving beyond repair to replacement.

"We're using 40 as our tipping point," Hemesath said.

Once the streets deteriorate to that level, minor maintenance activities such as chip sealing and sealcoats will no longer work, giving way to overlays and reconstruction. Hemesath explained that the cost of an overlay is about 600 percent higher than a chip seal; and the price of a total reconstruction is 200 percent higher than an overlay.

As part of the public process, several funding mechanisms have been suggested: continuing the food tax; creating a dedicated sales tax; using the general fund; bonding; and a street utility fee.

Hemesath's report points out that previous attempts at putting a street utility into place were unpopular with former city councils, who felt a "disproportionate impact" would fall on commercial properties. The report goes on to suggest a utility fee could be levied on residential utility users only with that money earmarked for residential streets. However, to get the residential streets to the desired PQI of 65, the fee could be as much as \$22 per month per residence.

Greeley will host a July 27 public "speak-up session" at 6 p.m. at the Rodarte Center, 920 A St. to hear from residents what road quality they expect. City council hopes to incorporate the community input into its budget planning process, starting at the Aug. 6 meeting.

HEALTH-CARE REFORM ROUNDTABLE

ROUNDTABLE, from 28

silo-busting has not occurred is even though all these different software writers say that they have compatibility with HL7, which is the language of electronic health records, they won't share their code because if they do, then the other competitor will know the secrets of their software. It would be like Apple sharing with IBM.

So now the focus has been on what are called bidirectional interfaces written so that we can share information. And interfaces are not cheap. I think I paid \$10,000 to get a system up and running just so I could put my labs into my electronic health records. And then you start doing that for every practice in town — it gets to be a million dollars really quick for just one community to

MYERS: Well, we opened it up to physicians so they can just log onto our program and look at their stuff, and some do and some don't. Most don't, and that's because you have your own electronic health record. You are going to log onto ours, and then when you're at the hospital, you're going to log into theirs, and so it is just not friendly.

Small employers and individual coverage

TRAUTWEIN: Isn't it the case that many small employers are simply not going to provide coverage that's going to go to the individual?

SHIRAZI: Oh, definitely, because that makes more economical sense.

BENDER: Not unless we bend the cost curve, and we can get premium costs to come down.

TRAUTWEIN: There's just not enough incentives in this new bill to go to that system. The system is going to go the other way. If you're a small employer you're going to go to individual coverage. I just can't see how you can avoid it. Because there's too much uncertainty. Small businesses are fighting to control their costs, already many of them have dropped health care coverage. And I think this trend is just going to continue.

HAWTHORNE: And what will that do to your business, Mr. Shirazi?

SHIRAZI: Well, we are already thinking that a lot of small employers, up to 50 employees, maybe to 100, they will not be staying on the private group insurance, not only from the cost standpoint but the headache. If you have a thousand employees you've got the HR department, you can do all the compliance and education and everything else. If I have a plumbing shop with 12 employees, why do I even want to deal with that? I'd rather just say, 'Look, if you're going to charge me another percentage of payroll tax or whatever, I want to get out of the benefits. I want to focus more on whatever that business is, and not to be worried about it.'

And a lot of small employers, they weren't even thinking about that, with the cost of health care continuing to go up every year in the double digits. They were willing to, rather than paying for the health insurance, to give another 50

cents an hour, a dollar an hour, or whatever to the employee and say, 'Go get your own health insurance.' Well, the young healthy person would take that money and put a down payment on a motorcycle, get in an accident, end up in an emergency room, and you and I will pay for it.

TRAUTWEIN: And that probably hasn't changed because the incentive to not be insured is much better than the incentive to be insured even on the individual level. Those incentives are going to drive a lot of people.

SHIRAZI: I think there is going to be a lot more adverse selection under the new law until it is clear. People are smart. They will look and see where it is the most cost-effective, the cheapest to insure themselves if they have to. But back to the 18-year-old person that did not buy the insurance. If the employer was going to discontinue their health insurance, and (also had) a 56-year-old (employee) with heart problems and everything else pre-existing, that's where a few years ago CoverColorado became available for anybody that's not insurable. They can purchase that benefit through CoverColorado.

HAWTHORNE: But it's not cheap.

SHIRAZI: Health care is not cheap in this country at all. For the affordability is different than availability. If you want to be covered you can buy insurance. Affordability is a different story.

BENDER: I mean it is, and it isn't. The people who have CoverColorado, it's better than nothing. They're happy they have it. They wouldn't want to see it go

TRAUTWEIN: Yeah, but if a guy is making \$2,000 a month and his premium is \$2,300 a month, he's going to buy his groceries before he buys his health insurance.

SHIRAZI: And that's one area that the new health reform, hopefully, will take care of those people. Overall, it seems like the cost of health care is going to go up. Some people maybe don't pay as much, but some other people are going to be paying more through taxes, or whatever. But we still have a very good health care system, in my opinion, compared to a lot of socialized countries. I think everybody should be entitled to

the basic health care. Nobody is arguing with that. But at the same time, as individuals, we have take s o m e responsibility to at least sign up for coverage that is available. We've

got to make

"We've got to make sure everybody is insured, but there are going to be costs related to it."



sure everybody is insured, but there are going to be costs related to it.

Medicare issues

PORTER: Yvonne and John, how do you think this law is going to interface with Medicare?

BENDER: The SGR, sustainable growth rate, goes back to a 1994 law, which has a very complex formula. It was supposed to contain health-care spending on physicians. And what happened almost immediately is that it was going to result in such severe cuts to physician payment that literally ever year, Congress has had to repeal it, because if those cuts ever go into effect, if there ever was really a 21 percent reduction, many physicians groups would just be thwarted. There would be just no way that they

could continue to offer services.

My practice is 40 percent Medicare. I go to 11 skilled nursing facilities and three hospitals, and probably half my admissions are Medicare. If suddenly that was reduced 21 percent, I would have to say, 'Oh, sorry. I can't do this

The other problem is that most of my contracts, are based on some percentage of Medicare — 120, 130, 140 percent of Medicare. If Medicare gave reductions everything else is going to follow suit. Primary care would be the canary in the coal mine and would be the first to fall.

The federal legislators can't fix it because where do they get the umpteen-

See ROUNDTABLE, 32







Join us on August 14th at Spring Canyon Park in Fort Collins for the 30th Annual SuperStars Sports Challenge.

Corporate team building events include volleyball, bocce ball, dodge ball, a big wheel bike relay and a team obstacle course.

For more information visit Www.PartnersMentoringYouth.org or Call Greg Soffe at 970-484-7123





your business advantage



As a local lender, you hate turning away customers because you don't have a program to suit their needs.

With our secondary market loan programs, you can expand your product offerings and generate revenues through servicing income and loan premiums.

Help more of your customers achieve their dreams. Contact our Business Finance team today.

800.877.chfa (2432)

www.chfainfo.com



twitter



www.ncbr.com | July 16-29, 2010 **32** | Northern Colorado Business Report

HEALTH-CARE REFORM ROUNDTABLE

ROUNDTABLE, from 31

billion dollars to fix it? So all they do is repeal it, for ridiculously short periods of time - six months, 12 months. They leave it for the next legislators, and they always play some game of chicken. They'll actually let the deadline expire and The Center for Medicare Medicaid Services, CMS, will actually put a hold on payments. One year I had to call my banker and ask for a \$50,000 signature loan because I was not going to be able to do payroll because, we weren't going to have any money coming through for three weeks. I don't know that Home State could do that today with the banking regulations. I'd like to think they could do a permanent fix, but they didn't

(with the reform bill). It's not comprehensive because of that.

MYERS: It happened before where there was a 14 percent cut, maybe 5 years ago. And within days, doctors' offices notified us they were not taking Medicare anymore. Days. We didn't have a physician for 80 percent of our residents. And the same thing happens to us, we don't get paid.

The primary physician is key to the senior. That's the person who manages all that for them. But a lot of people coming out of med school are not looking at geriatrics. They're not taking geriatric fellowships. We've been working with Poudre Valley for years to try and recruit gerontology physicians to come here, geriatricians. Yet, here's this boom

of people that just turned 65 or 67 that are going to be coming forward.

BENDER: Our state graduates two geriatricians a year.

MYERS: The Alzheimer's Association has named three states that in the next years will be 45 to 55 percent of the Alzheimer population — Arizona, Colorado and Alaska. Because we're the retirement place, we're where everybody wants to come to in their older years.

I've been in long-term care for 26 years, 20 years at Columbine, and having the physicians follow the patients there is difficult. A lot of physicians in our community contract with nurse practitioner groups, and physician's assistant groups to see the patient at the nursing home, or

Loveland

1998-2010

the assisted living. And so that senior could actually have three different health care providers — the doctor in the office, the hospitalist at the hospital, and then the PA that comes to see them.

So we need electronic health records that go together, that coordinate all that care, because at the end of the day, we are the patient's medical home. We also use an interdisciplinary team of social worker, nurse, physician, to try and help that resident.

The other significant thing is that in order to qualify for Medicare, you have to stay three midnights in a hospital. When I started 26 years ago, seriously, we'd say, 'Well, you look like you need the nursing home so we'll put you in the hospital and just stay three days and you'll get your Medicare, and you're good to go.' Well, that's not right. You should meet medical criteria to be in the hospital.

Now in order to even be admitted as an inpatient, you have to need what's only offered in an acute environment — MRI, the CAT scan, the testing or some sort of treatment, surgery, dialysis, whatever. So what we saw last year is that a person might stay four days in the hospital — two days in inpatient, two days in observation — and still not be fully admitted to the hospital. They go in the first day. They're evaluated. Tests are run, they find fractures. They can't operate on the fractures, they're just going to set them. So they've only stayed two days, paying for their independent apartment, and now full pay at the nursing home instead of under their Medicare benefit.

The Recovery Audit Contractor audits are where they believe they are going to save a lot of money on Medicare fraud. There is a huge belief that there is tons of fraud in Medicare, so much that we can actually pay for the health-care bill. The RAC auditors are paid on what they find.

TRAUTWEIN: So they find.

MYERS: So they find. They're a third party. In response to all of that, everyone is petrified to keep a patient too long in the hospital because then the auditor might come and we might have to pay all that money back.

Some of our internal medicine physicians in town went to concierge services where you pay a premium to them for them to be your physician. If you didn't want to pay the \$1,500 per year then they were no longer your physician. And that's a legitimate response to not being paid enough for their services. With the concierge's benefit you'll get the doctor's cell phone, you get e-mail, you are guaranteed to see the doctor the day you call, all of these kind of customized services as a way (for the doctors) to not have to see so many patients to get return on their investment. So we have some of our residents who no longer have a physician that they have known forever and ever, because they didn't want to have to pay that \$1,500.

BENDER: Many practices will be

Bravo! Entrepreneurs 2000 "When you surround yourself with good people you can accomplish anything. Receiving the Bravo! Award is a testament to the talent, dedication and hard work of every person at Numerica, and to the entrepreneurial spirit that is alive and well in Northern Colorado."

.....Aubrey Poore Numerica Corporation Clayton Schwerin Alliance Construction Solutions ..Linda Ligon Interweave Press .Susan Jessup Sylvan Dale Guest RanchJerry Donnan Kroll Factual Data, Inc. .Mark Burke Burke Cleaners and Mister Neat's FormalwearErvin Weinmeister Super Vacuum Manufacturing Co. ...Jack Devereaux Home State BankChad McWhinney McWhinney EnterprisesTroy McWhinney McWhinney EnterprisesBill Beierwaltes
Colorado Memory Systems, Colorado Time Systems **Duke Communications International** ...Thom Schultz

CELEBRATING EXCELLENCE IN NORTHERN COLORADO

Our world is better today because extraordinary individuals have taken Celebrate the entrepreneurial risks. They started with only an idea - and they grew it into something spirit of northern Colorado much larger. Something that's changed lives, provided jobs, generated growth, and most importantly, they've helped shape our community.

Bravo! Enterepreneur Awards recognizes those individuals who demonstrate the characteristics of success and who have overcome obstacles to become one of our community's most respected business leaders. To learn more about Bravo! Entrepreneur Awards, please visit www.NCBR.com.

Entrepreneurs make a difference.

Aubrey B. Poore,

Numerica Corporation

2010 Bravo Award Sponsors





closed to new Medicare, but if you were established with the physician, they will grandfather you in and they will allow you to stay in the practice when you become Medicare. The people who have the hardest problem are individuals my age, who bring their aging parents to Larimer County and then they're trying

ABOUND, from 1

worth of panels and orders are on track for 35 megawatts for the whole year.

"That's excellent for our first year in production, but we have a lot more demand than that," Tiller said, adding that total orders are four times more than existing manufacturing lines can produce.

That's where the loan comes into play. The first \$100 million of disbursements will be used to build out the Longmont production facility to a 200-megawatt capacity and will bring the company's total Colorado workforce to 350 employees. Privately held Abound is headquartered in Loveland, with an R&D facility in Fort Collins as well as the Longmont factory.

The rest of the loan will be used to build a second, larger facility in Tipton, Ind. When finished, the site will have a production capacity of about 800 megawatts and will employ around 1,200.

The site was selected when Abound first applied for the guarantee in 2008. The company needed 800,000 to 1 million square feet close to its supply chain and transportation hubs and a qualified workforce, while the loan program requires an environmentally clean site.

"Tipton was the site that best met our needs," Tiller said.

Long, slow process

After waiting for almost two years for a decision on its application, Abound isn't going to receive the loan next week or probably even next month.

"The DOE is trying to make sure they are making a good investment," Tiller said. "It was a little longer than we expected."

The application process was very thorough, according to Tiller. The application itself was around 600 pages, and was followed by independent engineering reports and site visits. And the work isn't over yet. The offer is conditional on Abound's ability to meet many operational, legal and other terms and conditions.

'We have a lot of work over the next couple of months," Tiller said, including raising another \$50 million in private equity. "We have a very aggressive plan to grow and ramp up the company. This is just one more step in a long journey to building a top solar company.'

The loan guarantee program was envisioned as a step in building a strong new energy technology industry in the United States. However, it has been criticized for being slow to get the funding out to the market.

The loan guarantee program got off to a slow start after it was created in 2005. It wasn't until 2007 that the program had guidelines and a director. Activity ramped up in 2008 when the DOE announced solicitations for two rounds of applications: \$30.5 billion in guarantees for renewable energy and nuclear projects and \$8 billion for clean coal technologies.

In March 2009 the first conditional commitment was finally made. The \$353 million guarantee, finalized September, went to Solyndra Inc. for construction of a commercial-scale manufacturing plant for its cylindrical solar photovoltaic panels. Since then, the DOE has offered 12 companies conditional guarantees.

Protecting resources

The delay has had less to do with funding than with other resources. DOE spokeswoman Ebony Meeks explained that the department doesn't maintain a reserve fund to back a potential loss. In addition to the rigorous review process, risk is mediated by disbursing the loan in installments that carry certain conditions. If a loan goes into default, the DOE will be able to take over the project to protect its guarantee.

The guarantees also require a credit subsidy — like a down payment — that would be used to cover a portion of the loan in the event of a default. The American Recovery and Reinvestment Act appropriated about \$4 billion to cover the credit subsidies. Though all of the current awardees, including Abound, applied before that appropriation was in place they will benefit from the funds.

With a goal of moving more loan guarantee applications through the system, the DOE ramped up its staffing from 10 in early 2009 to 120 now late last year implemented the Financial Institution Partnership Program. The program eliminates a couple of steps by allowing companies to apply with a financial institution partner that will vet

Most of the companies that have applied so far have bypassed traditional lenders, instead tapping the Federal Financing Bank, which issues loans guaranteed by other federal agencies. In May, the most recent financial statement available, Solyndra tapped two loans - one for \$22.39 million at an interest rate of 2.343 percent and \$35.46 million at 2.42 percent.

Scale up for international market

Robert Stone, managing director and senior research analyst for Cowen and Co., feels that the program will be necessary to get U.S. companies up to speed in the international market.

"One of the elements to be competitive in solar these days is to reach a certain scale," he said. "In an industry where the overall market is growing, in units, at high double-digit rates, to be an interesting competitor you must be at a certain scale and keep up with that growth rate."

The industry is seeing rapid growth in the last few years, even in the midst of a global recession. Stone points out that there were 6 gigawatts installed in 2008 and 7.2 gigawatts in 2009, and estimates that 2010 will see installs of 11 to 12 gigawatts. Major players need to be able to fulfill large orders, which means more production capacity.

Scale, Stone said, will be the biggest determination of industry winners and losers, not technology. Big differentiators between solar platforms — such as price and efficiency — have become less of an issue as technology has advanced.

"While solar has been growing at a strong rate for a few years now, the cost has been coming down dramatically since late 2008," he said.

The price of crystal silicon solar panels, which still account for about 80 percent of the market, is highly dependent on the cost of polysilicon. The cost of polysilicon peaked in 2008 at a spot price of \$500 per kilogram and long-term, pre-paid contracts were at \$100 per kilogram. Today, the spot and contract prices are within a dollar of each other at around \$50 to \$53 per kilogram.

At the same time, the relatively cheaper thin-film technology, like that used by Abound, has been making advances. Stone said decisions between technology will come down to the application and space available.

"They aren't taking share from each other at this point," he said. "I believe the range of applications and situations that give benefits to one over the other will remain.

Even within technology platforms, there is enough work to go around, according to Stone. Abound's thin-film panels are made using cadmium-telluride, the same as publicly traded First Solar, which led the industry last year in many categories, including shipments and market capacity. Stone feels that Abound stands to gain by following in the company's footprints.

"It becomes easier to get people to give you a try (with an established technology)," he said, adding that the companies won't necessarily compete. "For Abound to succeed, they don't need to take anything away from First Solar."

The only disadvantage Stone can see is that Abound has a long way to go to get to the manufacturing scale of First Solar. Of course, the loan guarantee helps to clear that hurdle.

"It seems like they have a pretty clever process," said Stone, who has made site visits to the Abound facility. If the company can scale up, Stone likes the company's odds for success.

COMPENSATION, from 5

Grieve's base salary was up only \$4,000 to \$420,000, but the value of his total compensation package was up 37 percent, going from no bonus in 2008 to \$180,182 for 2009.

Advanced Energy Industries Inc.'s CEO Hans Betz took no bonus payment in 2009, but he didn't take one in 2008, either. About 45 percent of CEOs received no bonus compensation at all

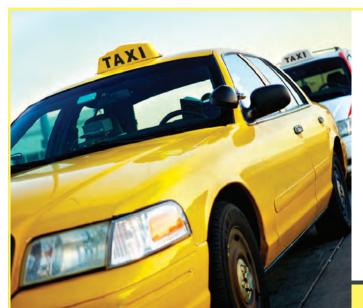
— an increase of 3.1 percent from 2008, according to Equilar.

Betz was the only Northern Colorado public company CEO to take a base salary cut in 2009. The 11.8 percent cut, instituted along with employee furloughs, brought Betz' salary down to \$495,414. His overall compensation for 2009 declined 10.2 percent. For 2009, Advanced Energy reported revenue of \$186.4 million – down from \$328.9 million in 2008 - and a net loss of \$102.7 million.

Truly bucking the bonus trend for 2009 was Frederick-based UQM Technologies Inc. The self-described fiscally conservative company has historically weighted its executive compensation with stock and option awards. However, although CEO William Rankin received no stock award for 2009, his total compensation was still up 7.8 percent. His base salary crept up only 4 percent to \$335,732 — remaining the lowest of the Northern Colorado public companies — but his bonus pay was up more than 400 percent to \$251,580.

UQM had a stellar year, by most standards. Its financials for the fiscal year ending on March 31 remained relatively stagnant, reporting revenues of \$8.7 million and a net loss of \$4.1 million. However, the company landed a major Department of Energy grant that had it hosting a visit by Vice President Joe Biden earlier this year.

During its most recent fiscal year, the company's stock increased from \$1.64 to \$4.21 — reaching as high as \$7.45.



BE MORE THAN A SUPERVISOR. BE AN INFLUENTIAL SUPERVISOR.

> Our graduates have influence over where other people go. And sometimes how they get there.

kegis University's School of Management does more than prepare the adult learner for a successful career in management. But it also immerses you in a rigorous core curriculum that provides the critical thinking and problem-solving skills you need to act with social responsibility while taking on tough challenges—even those as complex as ground transportation systems at airports.

A Regis Bachelor of Science in Organization Development degree provides the behavioral knowledge and development strategies you need to influence organizational beliefs, attitudes, and values for the better. By improving internal dynamics, you will be instrumental in keeping an organization up-to-date with changes in the marketplace and emerging technologies, all while overcoming challenges and streamlining operations to increase productivity. Between learning from expert practitioner faculty and networking with other adult professionals, you will be ready to apply what you learn in class, the very next day. And anyone waiting for a cab at the airport will thank you for it. Experience the power of influence.



BE INFLUENTIAL.

34 | Northern Colorado Business Report www.ncbr.com | July 16-29, 2010

HEALTH-CARE REFORM ROUNDTABLE

ROUNDTABLE, from 32

to find a doctor for them. It's really hard.

MYERS: And part of the senior at the nursing home, that's palliative care. That's making sure there's dignity and decrease of pain toward the end of your life. So it's not a cure. It's a lot of calls, it's seeing them at Northern Colorado Rehab, and then seeing them at the nursing home. So it's a different reward system, for sure. For some physicians, that's not the population they want to serve.

SHIRAZI: And talking about the reward, at least, for a long time, I was under the impression that when you

were on the Medicare it was more federal law and the reimbursements is the same. But my understanding is that the reimbursement is different for different states

BENDER: Right. Colorado has some of the worse reimbursement in the nation. We are the second lowest — I think only Mississippi is lower than us for Medicare. Colorado subsidizes the coasts. As a state, we pay out more in wage taxes then we get back in in revenues for providing Medicare services; that is not true of California, Florida, New York, and Pennsylvania. And that cannot change because they're bigger states. We can't change it because we're too small.

Saving money

PORTER: This reform act is going to cover more people, but do you think it will, ultimately, save money or increase costs? What is it going to do for the employers?

TRAUTWEIN: I think the quick and even long-term answer is: I don't know. I don't think the people in Congress really know. I don't think that they really know if what they've done will save money for businesses. Let me give you an example: The small business credit. If I'm a small business and I've got three employees who are family members (who are excluded), guess what? I don't get the small business credit or I get a lesser credit. If my employees make more than

\$25,000 a year, I get a lesser credit. So a lot of these incentives that are theoretically in place I'm not sure will turn out to be any practical benefit.

The one that will be a benefit is the individual benefit to have their health-care costs subsidized. So there will be a savings, and that very well may be a good thing. But from the business standpoint, I think it's way too early to estimate a guess.

SHIRAZI: Now the health-care system is not perfect, but we are very spoiled in this country. We want everything best, and we want it right now, but we don't want to pay for it. You cannot insure more people at less cost. I think the people who do not want to pay, and don't want to be insured, they will somehow get around it. A lot of employers are thinking about that. Is the cost going to go down? Overall, I don't think so. Maybe there is a segment of the population that, as you said, will be subsidized by taxes or whatever. Are we going to insure 100 percent of the population? It is really a very, very complicated proposal on the table. And, again, in the law it said over a thousand times, the Secretary of Health shall determine how we will interpret that.

HAWTHORNE: Blair, how much of this clarification might come through the courts? I know there have already been some lawsuits filed against portions of the law.

TRAUTWEIN: There will be lots of clarifications come through the courts in various types of lawsuits. But the real clarifications will come when people are either denied, or have benefits, or insurance companies have questions and they don't like the answers. That's how we get lawsuits. You're trying to figure out how it works. And then a lawsuit develops because you're talking about lots of money. And then sometimes in the middle of a lawsuit, Congress will see the problem and will start working on the solution. It's an ongoing process, and it will be, as with any major piece of legislation. It's going to sort out over a lot of time. Yes, that's expensive.

MYERS: I think the costs will go up, even if it's not to that individual person purchasing the insurance, but to all of us who provide the health care. We're going to have more paperwork to do. I imagine that will become worse because of more exchanges and more insurance.

The issue for a health-care organization, like Columbine or Poudre Valley Health System, is doubled, because we receive Medicare and Medicaid benefits, but we also have employees — many employees. If we have a 100-bed nursing home, we have 150 employees. We're a small business so we have all those impacts that come down on the small businesses as well as the insurance that we provide, as well as the Medicare.

So to my very first point I made, we are in "Don't do anything" mode because we don't know what it means. Because we sit in the middle of all of that.

Across the state and across the nation health care has been one of the only sectors that survived (the recession without) losing jobs. Health care, as a sector, created 8,000 jobs in May. So, then you hit the only part of the economy that is doing

COLORADO'S BEST COUNTRY **Colorado Broadcasters Association Major Market Radio Station** of the Year!

July 16-29, 2010 | www.businessreportdaily.com

HEALTH-CARE REFORM ROUNDTABLE



What happens when

Implementation of the provisions of the Patient Protection and Affordable Care Act stretches over several years. Rule-making by the Department of Health and Human Services is expected to take three or four years.

Small business tax credit Adoption credit increase 2010 Adoption-assistance program increase Tanning excise tax Prescription drug coverage deduction eliminated W-2 reporting **2011** SIMPLE cafeteria plans Restrictions on use of HSA and FSA funds for over-the-counter drugs Tax on HSA distributions increase 1099s required for payments to corpora-2012 Adoption credit sunset Adoption-assistance programs sunset Increase in medical deduction threshold for taxpayers under age 65 Additional hospital insurance tax on high-income taxpayers **2013** Medicare tax on investment income Fees on health plans (after Oct. 1) Medical device excise tax Flexible spending arrangement maximum imposed Premium assistance credit Excise tax on uninsured individuals Excise tax on applicable large employers Insurer reporting requirements Eligible premiums included in cafeteria plans Increase in medical deduction threshold 2017 for taxpayers age 65 and over Excise tax on high-cost employer plans

SOURCE: ALISTAIR M. NEVIUS, J.D., APRIL 1, 2010, JOURNAL OF

ROUNDTABLE, from 34

well with unknown costs, cost-shifting out of Medicare, and so you can see where the industry is in a little bit of a quandary.

BENDER: Last year the top five insurers made \$5.9 billion. And now we have a law that is, essentially, going to require a huge additional number of people to become their customers. So how will that control costs? It's going to drive costs up. This bill, when it was still a bill, was largely written by the health insurance lobby, which is partly why they got a lot of what they wanted out of it. But I don't think that we're going to see costs rise unabated for another decade. They can't. It's not sustainable.

There is some good things that are going to come out. We will see accountable care organizations develop. Accountable care is where health care is delivered at a regional level where hospitals, and skilled nursing, and patientcentered medical homes, Independent Physician Associations work together to help reduce waste and improve quality and lower costs.

There are other things going on that I think will help to bend the cost curve and get primary care to the center of our health-care delivery system, then we wouldn't have to worry about where we are going to get all the primary care doctors. It takes years to create someone like me, from medical school through residency training and all that, but some of those 34 docs that I said washed out, they're still around. They just left because they got burned out.

One-third of our physicians are age 55 or older. And that's going to be a critical group to reach out to, because they have a huge decision to make. Do I go out and try to get this \$50,000 to put into the IT and get out of doing the same thing I was doing in the 1970s? Or do I try to ride it out for the next 10 years? And that's a third of our docs, and that is a huge decision. And I hope they make the right choice.

SHIRAZI: We have seen already even in Northern Colorado, there is a lot of merger and acquisitions of smaller physician offices, as recently as Greeley Medical Clinic, with about 55 multi-specialty type of clinic physicians, 400-some employees, suddenly merging with Poudre Valley Hospital. A lot of other smaller clinics, because of all these expenses, they cannot afford to survive. So they're becoming part of the larger organization. And this is the biggest com-

plaint I hear when we do the employee meetings, is that the patient does not spend a lot of time with the physicians. In some situations, they're not even seeing the doctor, they are seeing the PA or nurse practitioner or whatever. A lot of us, we go in for some type of maybe physical pain, but at the same time, the mental is a part of it. And talking to the physician, I think, it is important.

HAWTHORNE: It sounds like one of the things we're all going to have to do under the new plan is be creative. Because like you say, the current system is not sustainable. I don't think anybody is sure, but it sounds like we might have a chance to be innovative?

MYERS: You'll have to, to survive.



August 27, 2010 6:00 P.M.-11:00 P.M.

Water Valley / Budweiser Hangar Ft. Collins/Loveland Airport (5833 Langley Avenue)

Come join the fun at the fourth annual NoCO Active 20-30 Suitcase Party. One lucky couple will be whisked away this evening for a wonderful 2-day trip to Napa Valley. Simply pack your suitcase and show up. If your ticket is drawn from the raffle, you'll be on your way to Napa that night!

All-inclusive night includes:

DINNER: Fully catered dinner

ENTERTAINMENT: Drinks, dancing, live music, and silent and live auctions

THE RAFFLE: Come prepared to jump on a private jet to Napa!

\$150 PER PERSON

An Event of the Northern Colorado Active 20-30 Children's Foundation benefiting at-risk and disadvantaged children's charitites.



WWW.SUITCASEPARTY.COM Call for information: 970-581-8294

www.ncbr.com | July 16-29, 2010 **36** | Northern Colorado Business Report

COMMENTARY

EDITORIAL

How to pay as important as what you pay

Fort Collins recently issued its latest outstanding water quality report. Its storm-water infrastructure has reduced the acreage within floodplains significantly over the years, and electricity comes to residents' homes safely and reliably every day.

When it comes to city streets, though, let's not go there.

What's the difference? Streets are the only major infrastructure system without a predictable maintenance budget.

As reporter Kristen Tatti explains in this issue, of the three major cities in Northern Colorado, only Loveland assesses a fixed utility fee for street repairs. Fort Collins and Greeley both pay for maintenance from variable yearly sales tax collections, which have been declining steeply of late.

Fort Collins dedicates a quarter-cent sales tax to streets, supplemented by general fund dollars. In Greeley, a variety of physical maintenance programs share a tax on groceries — not the most popular fundraiser, and almost impossible to increase.

Loveland and Greeley have roughly the same number of miles of streets, and spend about the same amount each year on their upkeep. But Greeley streets, as measured by the Pavement Quality Index, are about half as good, teetering on the verge of irreparable.

A dedicated utility fee allows a city to budget for future repairs, and make sure each stretch of road receives regular attention. Because sales tax collections fluctuate from month to month, longterm budgeting and routine maintenance become much more difficult.

Yet both Fort Collins and Greeley are considering asking voters to continue funding streets through sales taxes this November, even though the amounts raised won't come close to improving local roads. The best we can hope for is slower deterioration.

We urge both Fort Collins and Greeley to at least consider a fee-based system instead. The current economy and political climate bode ill for passage of any tax, regardless of the urgency of the funding requirements.

Previous fee proposals have foundered on issues of equity. Such assessment issues could be addressed in a number of ways, perhaps through some combination of fees and taxes. In Fort Collins, one example could be continuation of the quarter-cent dedicated street tax to maintain the arterial roads that see mostly commercial traffic, while assessing a \$10 monthly fee on all residential utility customers to maintain local streets. That could free up the general fund for other expenditures while bringing predictability to street maintenance.

It would also eliminate the annual fight for dollars to put into potholes.



Become a Beetle Buster to save our local trees

Every year the mountain pine beetle epidemic kills more trees in Larimer County. In forests that are already overgrown and prone to burn during the next warm, dry summer, more and

more large patches of dead kindlingdry wood is being added to the fuel load.

Although millions of federal dollars are now flowing from Washington to help manage the beetle epidemic in federally managed forests, very little of it is available to help private



landowners. Yet, according to the Larimer County Fire Plan, "Larimer County consists of 1,689,600 acres, of which 870,775 acres are privately owned."

However, the situation is far from hopeless. Forests along the Front Range have a much more diverse population of tree species and age groups than those on the Western Slope. There is, therefore, a much better chance that we can slow the spread of the beetle here than was possible on the Western Slope.

All three of our county commissioners and all five of our state legislators with districts within Larimer County have stepped up to volunteer their time and effort to lead a hands-on program to assist and encourage all of Larimer County's citizens to mitigate the damage that could occur should we have another Bobcat Gulch Fire, or worse a

Hayman Fire, here.

In alphabetical order they are:

■ Sen. Bob Bacon, Dist. 14

■ County Commissioner Tom Donnelly

■ Rep. Randy Fischer, Dist. 53

■ County Commissioner Lew Gaiter

■ County Commissioner Steve

■ Rep. John Kefalas, Dist. 52

■ Sen. Kevin Lundberg, Dist. 15

■ Rep. B.J. Nikkel, Dist. 49

The Fort Collins District of the Colorado State Forest Service, Larimer County Department of Natural Resources, Larimer County Tree Farmers and the Colorado Forestry Association have formed a partnership to train and deploy a volunteer citizen corps to assist and encourage private forest landowners in their efforts to slow the advance of the pine beetle and mitigate the damage that could be caused by the next huge wildfire.

We encourage you to help by:

- learning more about the program at Larimer County Beetle Busters http://www.treefarmer.com/Larimer CountyBeetleBusters.html;
- contacting the elected officials above for their views;
- volunteering to become Beetle Busters vourselves;
 - encouraging others to volunteer;
- planning to attend the next Beetle Buster training session Sept. 25. Contact me for details.

Make a difference.

Wes Rutt is Outreach and Education Chair of Colorado Tree Farmers. He can be reached at stumpmaker@gmail.com or 970-482-6912.

Northern Colorado

141 S. College Ave., Fort Collins, CO 80524-2810 800-440-3506 • 970-221-5400 Fax: 970-221-5432

www.ncbr.com

PUBLISHER ext. 201

CONTROLLER ext. 221 Direct: 232-3151

Editor

Kate Hawthorne Direct: 232-3142 ext. 212

Reporters

ext. 219 Direct: 232-3149 ktatti@ncbr.com Direct: 232-3147 sporter@ncbr.com

Copy Editor/Web Editor Noah Guillaume Direct: 232-3152 ngu ext. 222 nguillaume@ncbr.com

Chief Researcher

Eric Kidd Direct: 232-3137 ext. 207 ekidd@ncbr.com

MARKETING Marketing Director

De Dahlgren Direct: 232-3132 ddahlgren@ncbr.com

ADVERTISING Advertising Director

spowell@ncbr.com Direct: 232-3144

Senior Account Executive

Direct: 232-3133 lgilliland@ncbr.com

Account Executive Julie Constance Direct: 232-3148

jconstance@ncbr.com Janet Hatfield ext. 215

Direct: 232-3145 jhatfield@ncbr.com Advertising Project Manager

Direct: 232-3137 mvenus@ncbr.com

PRODUCTION Production Manager

ext. 210 Direct: 232-3140 bsimon@ncbr.com

Art Director

Direct: 232-3141 ccollins@ncbr.com

ADMINISTRATION

Chris Sullivan Direct: 232-3136 csullivan@ncbr.com

Office Manager / Front Desk

frontdesk@ncbr.com Direct: 232-3130 CIRCULATION

Circulation Manager

Direct: 232-3146 rdoyle@ncbr.com

CONTRIBUTING WRITERS & PHOTOGRAPHERS Jeff Applegate, Jessica Centers, Dawn Duncan, Shirley Esterly, Kiki Gilderhus, Luanne Kadlub, Ronnie J. Phillips, Wes Rutt, Michael D. Wailes











LETTERS TO THE EDITOR

Greeley Medical Clinic to formally join PVHS (Business Report Daily, July 8, 2010)

Thank you for the opportunity to respond to what are, in my opinion, discrepancies in statements and other information in this article.

In the article Mr. Simon stated that Banner Health "generally forbids physicians from practicing at Banner sites unless they are employed by that system." This is patently false: Of the 406 medical staff members who actively practice in North Colorado Medical Center and McKee Medical Center, 153 are employed. Nearly 63 percent of these physicians are independent, NOT employed by Banner.

GMC President Daniel Zenk referenced Banner's "unanticipated response" to the GMC clinic that was opened in 2008 on the campus of Medical Center of the Rockies. Zenk stated that Banner's "unanticipated response" is what "changed where we (GMC) went from that point forward." Zenk was referencing GMC's employed alignment with PVHS.

He left out important context about our "unanticipated response." GMC requested that Banner provide substantial recruitment subsidies to fund their recruitment of additional physicians to meet a community need created by the exodus of GMC physicians to their new MCR offices, including GMC's surgeons. Essentially, GMC wanted Banner to fund their expansion onto the MCR campus.

For the record, since their decision to leave NCMC, these surgeons have not performed surgery at NCMC. Surgeries they have performed since their departure include a significant number of people from Greeley and Weld County. Many of these patients were referred to MCR-based GMC surgeons by Greeleybased GMC physicians, and had their surgeries in PVHS facilities in Larimer County.

Finally, Simon noted that the contract between PVHS and GMC doesn't direct where GMC physicians should refer patients for hospital care. It is not the contract that will direct where these physicians will refer patients for hospital care, but it is the considerable influence that has now been cemented in the alignment between PVHS and GMC. It is this influence that Fort Collins-based PVHS hopes will make the difference in returning the major financial investment it has made with the acquisition of GMC in Greeley.

This brings me back to the central point we have made all along: The alignment of GMC with PVHS will result in Greeley and Weld County patients being referred for hospital services to facilities outside the communities where they live. We believe the alignment was created to do just that, and statements otherwise are simply not credible.

Rick Sutton, CEO North Colorado Medical Center

Listening to region's Latino businesses (NCBR, July 2, 2010)

I am surprised to learn that 77 percent of Colorado Latinos identify as being of Mexican origin. I would have thought that a larger proportion would be of Santa Fe Trail pioneer stock, as is

my family. Although some of my family do identify as Mexican-American, I believe it is because there isn't a conventerm for Americans Conquistador Spanish descent. My point is that you are right. Latino/ Hispanic isn't a homogeneous group, and shouldn't be regarded as such for any practical purposes. It is probably even more diverse than you have described.

Lindsay Ogden-Herrera Fort Collins

I hope local Latinos, whether business owners or otherwise, understand what great benefits your column will do for everyone, not just us Latinos. I applaud you for such insights. You and I are on the same page, Ana, and that is improving ourselves.

> Rich Lopez Greeley

This adds valuable perspective. I'm curious to know about the investment practices of successful Latino and Latina entrepreneurs. Are there any trends or traditions that distinguish them from other ethnic groups? Is this a topic you might cover in a future piece?

> John Poynton Palo Alto, Calif.

Editor's note: If you have any ideas for future topics for any of NCBR's columnists, e-mail them to news@ncbr.com.

Are all meetings really necessary?

(NCBR, May 21, 2010)

As someone who has facilitated hundreds of meetings, I'd add a few other points to Shirley's column:

Do you really need a meeting? Too often, meetings are held simply for the leader to give information to the team. The communication is primarily oneway. There are numerous ways information can be shared without having a face-to-face meeting. Meetings should be held only when people need to collaborate and interact.

Preparation rocks! If you want people to show up at a meeting ready to share ideas, perspectives and solutions, let them think about it and prepare ahead of time. People have different styles. Some people aren't at their best when they have to think and solve things instantly. Before the meeting, send out topics that will require ideas and input. Share relevant information ahead of time so people are ready to jump right in when the meeting starts.

Solicit input from everyone! You never know where your next big idea is coming from. It might be the quiet guy or woman in the corner who has to be invited into the conversation. There are numerous reasons why people don't jump right in. Effective facilitation can ensure that all voices are heard. You don't want to miss a thing.

Ava Diamond Fort Collins

Erin Toll receives \$55.000 settlement from state

(Business Report Daily, June 11, 2010)

Another taxpayer expense and we never even get to hear the full story? This is outrageous. I personally had a real grudge against Ms. Toll, but I have a big-

NCBR poll watch

Did you attend the Brewers' Festival in Fort Collins?

Yes, and I liked the new format.

3%

Yes, but I did not like the new format.

5%

No, I figured it would not be fun.

63%

No, but I wanted to. 29% Next question:

Would you consider getting a loan at Wal-Mart?

Answer now at www.ncbr.com. Responses will be accepted through July 26.

These results reflect responses to the online poll at www.ncbr.com June 28 - July 12.

COMMENTS

Did you attend the Colorado Brewers' **Festival in Fort Collins?**

It appears the majority of responders did not attend because "I figured it would not be fun." I have not attended in the past, because "I figured it would not be fun." My experience this year was great and I will gladly recommend the event to others.

Nancy Patton

ger interest as a taxpayer to know if she was "fired" for political reasons, whether she was fired because she was a whistleblower, or if this is just a fast and easy way for DORA to keep her quiet ... or all of the above.

Brett Pavel

Cyclocross Gran Prix pedals into Fort Collins

(Business Report Daily, July 7, 2010)

This is great news for Fort Collins and for Northern Colorado cycling!! Good job everyone involved for making this happen!

Todd Sledge Fort Collins

BLOG COMMENTS

Editor's note: Yes, we have blogs, and you can join in at www.ncbr.com.

Take Action!

(Career Enthusiast, Carrie Pinsky)

I've yet to hear of a recruiter that goes door-to-door!

> Jim Lawrence Longmont



Attend GameFace at Bixpo and develop your company's competency at securing new business. Social media aside business gets done face-to-face. And, it's the form of marketing business owners, managers, CEO's and even sales people fear and avoid because it is also known as...sales.



John Geiman and Don Overcash of Sandler Training have the antidote for face-to-face marketing anxiety and have created GameFace content specifically for company leaders who want to invest in

Sandler Bixpo exhibitors and attendees are invited to participate in one of Training two GameFace presentations by Sandler Training.

THE UALUE IS \$129; REGISTRATION IS COMPLIMENTARY FOR BIXPO **EXHIBITORS AND ATTENDEES**

For details and to register for GameFace at Bixpo Session 1 – "The Buyer/Seller Game" or Session 2 - "Game On!" go to NCBR.com. Click on Events under the Department heading and select the GameFace logo.

FOR MORE BIXPO INFORMATION CONTACT DE DAHLGREN, EVENTS@NCBR.COM OR 970.232.3132.

38 | Northern Colorado Business Report www.ncbr.com | July 16-29, 2010

LOVELAND, from 3

included city council members and Assistant City Manager Rod Wensing, who serves as city staff liaison to the volunteer group.

Harter said the group has a wide spectrum of experience but all have some knowledge of the hotel industry, tourism, marketing or other facet of business promotion.

"It's a real diverse group with very interesting backgrounds," he said. "Everybody brings something to the table. We've got some real strong personalities and a number of people with extensive hospitality backgrounds. I'm very proud of this group."

Third time charm

November was the third time the lodging tax had been taken to voters. The tax was strongly supported by the Loveland Chamber of Commerce and Engaging Loveland, a nonprofit created in 2006 to enhance tourism and support community-wide events.

Kim Vecchio, Engaging Loveland's executive director, said the tax failed by wide margins in the previous two votes but this time found favor. "I think it was a good indication that the community was finally buying into it," she said.

What they were buying into was the notion that visitors to the city could help finance an enhanced promotion of Loveland's profile. Lacking its own Convention and Visitors Bureau but rich in local attractions such as the Corn Roast Festival, Sculpture in the Park and SummerFest in the Rockies, the tax could help market the city to outsiders, supporters said.

"Our hope was that the funds will be used promotionally to market Loveland and to begin capturing some of these dollars instead of being spent in other communities," Vecchio said.

Harter said he expects to see quite a few applications for lodging tax-funded projects. "I think there's a lot of interest in the community," he said. "When new money comes in in tight economic times, people are kind of chomping at the bit to get at it. We're expecting an avalanche of applications."

Grant applications are available online at the city's website — www.city-ofloveland.org — or can be picked up at the city clerk's office at 500 E. Third St.

Brian Willms, Loveland chamber president, said the chamber has long supported a lodging tax to increase marketing of the city. "The chamber is a voice for business and economic development, and if we can capitalize on visi-

Marketing mavens

The Loveland Community Marketing Commission includes seven members and two alternates, who are responsible for distributing funds collected through the city's new 3 percent lodging tax.

- Rich Harter, chair
- Linda Hughey, vice chair
- Jeremy Elliott, secretary
- Tom Dwyer
- Rosemary Prawdzik
- Mike Nappa
- Judy Saffell
- **Bob Torson**, alternate
- Ann Harroun, alternate

SOURCE: BUSINESS REPORT RESEARCH

tors coming to our community, that certainly is good for our economic climate," he said.

Point person needed?

Wilms said there is certainly confusion about Loveland among outsiders to the area. He noted a recent story by U.S. News and World Report that rated Loveland as one of the best communities in the United States to live but ran a photo of Loveland Ski Resort with the article.

"People come in here looking for a ski resort," he said. "The brand awareness of Loveland and knowing what we have to offer is lacking. That's the thing we really need to focus on."

Both Willms and Vecchio said they hope that one possibility to come out of the new lodging tax might be the funding of a "point person" charged with the daily marketing and promotion of the city.

city.

"My concern is that we not put more funding into existing product," Willms said. "You have to have that point person who is making that face-to-face contact to get that group business. That's a big component"

Harter said a CMC retreat on July 17 will focus on "talking about priorities and where the resources should be expended"

Vecchio said she hopes the CMC recognizes a need to not only fund individual projects and events but also to take a broader look at promoting the city.

"We just want to have an open dialogue and look at all the options out there," she said. "I think it's very important to drive more visitors into our community. It's new dollars coming in, which is exactly what we're looking for."

PHILLIPS from 17

most important mission is monetary policy for price stability and, some would add, the level of unemployment. But will the addition of an expanded role for the Fed in the area of consumer protection dilute its primary mission?

The Fed is gaining greater and greater power in the economy with no corresponding increase in accountability to Congress and the public. The Fed continues to press for its "independence," but does this mean no accounting for its policies to Congress and the public? Despite widespread support, there is still no explicit audit of the Federal Reserve System required.

The Fed's balance sheet increased from \$500 billion to \$2 trillion through adding risky assets instead of the government securities it has traditionally held. Because of the implications for stability and safety of the money supply and potential inflation, the public has a right to know what the Fed is doing. For now, the new law only requires that the Fed file a report within two years.

It is also the case that many of the details of the implementing reforms in the bill are to be worked out between the regulatory agencies — Federal Reserve, FDIC and the OCC, which regulates nationally chartered banks. Is this just another opportunity for the banks to lobby their regulators? Will the result be more favorable to financial institutions than the public?

Totally absent from the Dodd-Frank Act is reform of Fannie Mae and Freddie Mac — so-called governmentsponsored enterprises at the heart of the mortgage debacle. These companies previously operated as private companies with an implicit government guarantee. They are now government-owned with an explicit taxpayer liability. Should they continue as nationalized institutions or be fully privatized or liquidated? The resolution of this problem is left to the future.

Each crisis different

Passing financial reform is always difficult. It will be years before we know whether these reforms will really work. The really big lesson that should be learned by banks, the public, and the politicians is that financial crises occur regularly. Further, each crisis is different and there is no ex post reform that will prevent the next crisis. To move beyond this would require a transformation of the financial system which is more likely to come about through changes wrought by globalization and technology than by legislation passed by Congress.

In response to the Panic of 1907, Congress created a National Monetary Commission to study all aspects of the financial system of the United States and other countries and to recommend fundamental reforms. The Commission's work in 1910 led to the Federal Reserve System we have today. Perhaps it is time for such a commission to begin to examine whether or not we should continue with piecemeal reform or undertake a radical transformation of the entire financial system.

Ronnie Phillips is a Senior Fellow at Networks Financial Institute in Indianapolis, and formerly a professor of economics at Colorado State University.

CARD FEES, from 19

restricting services like free checking and raising fees for other services for their customers. At the same time, he doubts bigbox retailers will pass any of their savings from reduced fees onto consumers.

Bower assesses the situation more bluntly: "Wal-mart wanted lower costs and fees on those cards, and Wal-mart won."

He's not sure how Home State will make up for lost revenue while there is still so much uncertainty about where the pricing is going to be set and how that will impact his bottom line. What he is certain about is that the banks that issued the cards will be affected the most because they have the risk.

The interchange fee limits are coming on the heels of the government's crackdown on other credit card practices, like high late penalties and changing interest rates. Home State didn't have to change any of its policies because it didn't have any of the exorbitant fees the rule sought to quash, but as with any new regulation there was still significant time and money spent on changing forms to comply with new disclosure rules.

In addition to his frustration over regulations being imposed on his business, Bower is also concerned about all that's been left out of the financial reform bill.

"The current legislation is some of the worst we've seen in my banking career," he said, noting that it doesn't touch the problems that allowed the financial crisis to occur, like the lack of a separation between traditional banks and investment banks. He feels it's unsafe and unsound for the economy and small community banks to bear the brunt of the burden as too-big-to-fail institutions continue to gamble on bad home loans.



Business Marketplace



Call Michelle Venus

141 S. College Ave. Fort Collins, CO 80524

Direct line: 232-3137 (970) 221-5400 x 207 • (800) 440-3506 Fax (970) 221-5432 • mvenus@ncbr.com

www.ncbr.com



Executive Office Building for Sale or Lease

4006 Cleveland Avenue, A, Wellington, CO 80549

Located under Wellington's biggest pine trees located on HWY 1, one block west of 1-25 exit. Built in 2002. Brick, stucco, 2379 sq. ft. with quality & special design features, 5 private corner offices, 2 open offices and an open waiting and reception area. Spacious conference room with 12 ft oak table included. Kitchen/breakroom.T1 communication phone system included. Check out our virtual tour at www.kinzlirealestate.com \$325,000 @136.60/sq. ft. MLS# 628476



Lou Kinzli Re/Max Action Brokers

4006 Cleveland Ave, Wellington

www.kinzlirealestate.com 9/0 loukinzli@remax.net

970-568-3600

SBA, from 17

in the mid-2000s.

The program also adds to its parent company's ever-expanding ties to the world of banking and finance. Wal-Mart Stores Inc. has long shown interest in getting into the banking biz. It has made several unsuccessful bids at gaining bank status in the United States, most recently a 2007 attempt to purchase an industrial bank in Utah.

This summer, the company received final approval to form Wal-Mart Canada Bank. The financial institution just launched its first product: a rewards MasterCard that gives in-store dollars back on purchases made.

Wal-Mart is offering U.S. customers financial service through partnerships and perhaps most significantly at its instore MoneyCenters. The 3-year-old centers offer products and services including check cashing, bill payment, money transfers and the reloadable Wal-Mart MoneyCard.

In March, the 1,000th MoneyCenter opened, and the company announced plans to open an additional 500 by the end of this year. That would mean MoneyCenters in 40 percent of all the nation's Wal-Mart stores.

Wells Fargo Financial closes

Not all companies are banking on the financial "store." Wells Fargo & Co. recently announced it would shutter its 600-plus Wells Fargo Financial locations and disburse the division's product lines to other business units.

Wells Fargo Financial employs 14,000, but only 2,800 positions will be lost with

remaining employees reassigned. In Colorado, there are 15 Wells Fargo Financial locations, one in Fort Collins at 1112 Oakridge Drive. A query regarding the number of Colorado employees impacted by the move was not returned in time for publication of this story.

The company said the reason for the restructuring was the 2008 purchase of Wachovia, which essentially doubled its locations and made it no longer economically feasible to maintain the separate Wells Fargo Financial.

About a month ago, around the same time Wal-Mart was launching there, Wells Fargo Financial closed its Canadian locations.

Wells Fargo Financial spokeswoman Erin Downs explained that the subsidiary generally offered affordable loans for consumers with less-than-perfect credit. Consumer products included auto loans, mortgages and credit cards. All of the products, except non-prime portfolio mortgage loans, will be continued under the restructuring.

"We're committed to serving customers across a wide variety of credit profiles," Downs said, adding that customers will still have access to the FHA mortgage program.

On the commercial side, Wells Fargo Financial offered products ranging from financing for practice acquisition in veterinary medicine and dentistry to private-label credit cards for retail stores. All of the commercial products will also continue in other business units.

Kristen Tatti covers the banking industry for the Northern Colorado Business Report. She can be reached at 970-221-5400, ext. 219 or ktatti@ncbr.com.



Identities are Unique Protect yours.

Identity theft is one of the fastest growing crimes in America. Bank of Choice offers the latest in Identity Theft coverage:

ChoiceSecure -**Identity Theft Resolution**

FREE with all personal accounts

If you become a victim of identity theft ChoiceSecure

- Investigate and pinpoint where identity theft is occurring
- •Resolve any fraudulent activity occurring in your name

ChoiceWatch -

Early-warning identity theft monitoring

ONLY \$9.95 per month

ChoiceWatch will:

- •Monitor over 10,000 databases for thieves using your personal information.
- Report to you monthly.

The safety and security of your identity is important to us. Visit a Bank of Choice location or call your ChoiceBanker for details.

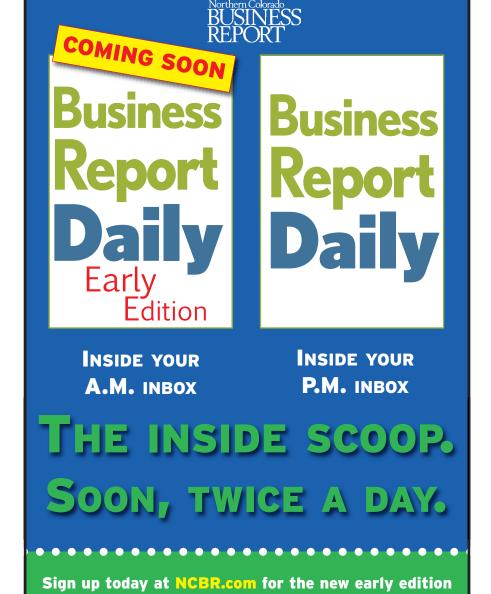


Evans / Fort Collins / Greeley / Platteville / Windsor Also located in: Arvada / Aurora / Conifer / Denver Elizabeth / Englewood / Kiowa / Parker



BankofChoiceOnline.com (970) 373-3512

Member FDIC



or both if you're not already receiving the p.m. edition.

Recognized as a Top 10 Health System for Patient Care.

To residents of northern Colorado:

Banner Health was recently recognized as a top 10 health system for clinical performance (patient care) by Thomson Reuters—the only health system in Colorado to receive this recognition out of the 255 systems analyzed nationally. Naturally, we are very proud of this distinction.

As Banner Health's leader, it's extremely important to give credit for this honor where it's clearly due – to the outstanding staff and physicians who are dedicated to our nonprofit mission of excellent patient care at all Banner Health hospitals. After all, a top health system is made up of top hospitals.

I want to recognize and thank our Banner Health colleagues for the superb patient care they provide at North Colorado Medical Center in Greeley, McKee Medical Center in Loveland, East Morgan County Hospital in Brush and Sterling Regional MedCenter in Sterling. Their commitment to patients is an essential part of Banner Health being named a top 10 health system.

Sincerely

Returd. Ein

Peter S. Fine, FACHE President and CEO



Experts
Work Best.

