



# B2B

## BUSINESS TO BUSINESS

Advertising supplement to the Dayton Daily News

### Dayton’s Business Hall of Fame



**Phillip L. Parker**  
CAE, CCE President & CEO

Our community is blessed with many outstanding people, companies, not-for-profit organizations and plenty of important work that creates jobs, careers and solves issues that affect our region’s quality of life and economy. I’m proud to say our community has also celebrated many of these people and their organizations over the years. The latest way we’re honoring those who’ve made a difference is through the creation of Dayton Business Hall of Fame.

The region has worked hard to establish the Wright Dunbar Walk of Fame; The Presidents Club Citizen Legion of Honor (volunteerism); the Better Business Bureau’s Eclipse Integrity Awards; the Dayton Business Journal’s Best Places to Work and Business of the Year (among others); the Dayton YWCA’s Women of Influence; the Top Ten Women and other localized awards by many individual community service clubs, our Air Force Association and others.

The newest addition, the Dayton Business Hall of Fame, identifies individuals who have held long term roles leading their organizations and have been successful in their many businesses and entrepreneurial accomplishments. This new business community recogni-

tion, started by Dayton Magazine, recently had its inaugural selection. I am amazed it took our community this long to identify these great stewards, let alone those who came before them. However, names like Patterson, Mead, Frazee, Wright, Kettering or many others may not be on this new “modern” list ... and that is unfortunate. But it is safe to say that whether we are recognizing business leaders in 2017 or in 1917, our region has a rich heritage of innovative and entrepreneurial successes and people who led the way.

Let me extend my heartiest congratulations to the Dayton Business Hall of Fame inaugural Class of 2017.

- Mary Boosalis - president & CEO, Premier Health
- Larry Conner - managing partner, The Conner

Group

- Dr. Eugene Dean Imbrogno (posthumous) - medical director and head physician, MedWork
- Harold Rieck - CEO, Rieck Services
- Raj Soin - founder, Modern Technologies Corp.

These are all outstanding leaders who have had distinguished careers in the private sector with companies that have employed our family members and citizens for decades. In fact, Rieck Services is celebrating its 125th anniversary in Dayton this year.

Congratulations to you all and I look forward to seeing who in our community will be recognized in the class of 2018’s Dayton Business Hall of Fame and share that distinct with this latest class of outstanding business leaders.

### BUSINESS

## GOP plan may be boon for Caterpillar

Company has a Dayton area presence.

**By Max Ehrenfreund**  
©2017, The Washington Post

Federal agents raided Caterpillar’s headquarters in Illinois this month, storming the office to collect company documents and digital records. The warrant did not say what the agents were looking for, but the investigation could be connected to the billions in unpaid taxes and penalties that the Internal Revenue Service says Caterpillar owes, according to the company. The firm has been keeping profits in Switzerland, out of the reach of U.S. authorities, congressional investigators reported in 2014.

According to that investigation, Caterpillar gave its Swiss subsidiary legal ownership of all the replacement parts it sells to foreign customers. As a result, the profits from selling those parts piled up in Switzerland, not in Illinois.

Now the IRS wants a cut of that money, saying the company was dodging taxes owed to the federal government. Caterpillar disputes the accusation, maintaining that its practices are legal.

Under a plan Republicans are pushing to overhaul the nation’s tax code, the company’s strategy would no longer be necessary. The GOP plan, known as a border adjustment, poses essential questions about fairness in U.S. taxation, and analysts say the proposal could give Caterpillar a big new break.

Currently, U.S. corporations such as Caterpillar owe taxes on the income they receive, regardless of where their products are sold. Caterpillar also has a 1.5-million-square-foot logistics center in Clayton just off Interstate 70, where about 600 people work.

Sales to foreign customers and domestic clients are all subject to federal tax. Corporations can put off paying those taxes only if they find a way to keep the money overseas, rather than bringing it back to their U.S. headquarters. In Caterpillar’s case, the profits stopped in Switzerland.

Under the GOP plan – known as a border adjustment – U.S. firms’ sales to foreign customers would not be taxed. As a result, Caterpillar would not need to rely on aggressive legal maneuvers to avoid taxes on those profits.

Proponents of the plan argue that companies should not have to pay taxes on sales they make outside of the United States, and that a system that exempted those exports from taxation would be simpler, more efficient and more transparent.

“There’s two different philosophical approaches to deal-

ing with problems like this. One is to come up with regulations and penalties,” said Alan Auerbach, an economist at the University of California at Berkeley and one of the plan’s most vocal supporters. “The other is to just change the rules so that you no longer have to worry about what companies are doing.”

Supporters also point out that with a border adjustment, manufacturers would be rewarded for relocating their factories to the United States. Many foreign countries tax companies based on where they produce goods. Companies producing in the United States could avoid those taxes, without paying taxes on the exports back overseas.

Detractors say that because U.S. companies rely on domestic public services and infrastructure to educate their workers, maintain public safety and carry their products to international markets, U.S. exporters should bear some of the burden of taxation, as well.

For its part, Caterpillar is backing the GOP proposal. Caterpillar is part of an industry group calling itself the American Made Coalition and consisting of multinational corporations with lucrative foreign markets.

Caterpillar’s support for the plan is galling for the company’s critics – particularly after the company found itself the target of a federal raid.

“Caterpillar appears to have elevated international tax avoidance to an art form,” said Matt Gardner, the former director of the left-leaning Institute on Taxation and Economic Policy. “From that perspective, this plan is exactly backward. It would leave the barn door wide open for companies like Caterpillar to continue shifting their profits on paper offshore.”

A newly enacted border adjustment, however, would not free Caterpillar from the controversy over what the IRS describes as unpaid taxes under the current system.

According to the 2014 report by the Senate Permanent Subcommittee on Investigations, Caterpillar used accounting maneuvers to shift its profits from selling replacement parts to foreign customers to Switzerland, where Caterpillar had negotiated a tax rate of 4 percent to 6 percent. To avoid federal taxes, Caterpillar set up a Swiss subsidiary as the legal supplier of replacement parts for its customers overseas. Caterpillar’s third-party suppliers manufactured the parts – predominantly at U.S. factories – then sold them to the Swiss subsidiary. That entity in turn sold the parts to Caterpillar’s independent dealers around the world, and the company said that the profits from its parts should be taxed in Switzerland.

### Leadership Dayton looks for class of 2018

**By Holly Allen**  
Dayton Area Chamber of Commerce

We’ve all come across leaders in our lives. Whether it’s in the office, at home, at church or among our friends, there’s always someone who

stands out from the crowd. The Dayton Area Chamber of Commerce is searching for those who’ve already tackled the title of “leader.”

The Leadership Dayton program is not a “Leadership 101” class. It’s aimed at those already making

waves. Each year, dozens of applications pour into the chamber, and a select 45 to 50 are chosen to participate in the 10-month course, which includes retreats that expose the needs of the community, and encourage class mem-

bers to determine how they can best fill those needs.

Applications are now being accepted for the Leadership Dayton class of 2018, which will kick off in late summer 2017. Log on before March 30 to learn more and apply.

### Economic Indicators

#### Sales Tax Collections

County	Current Rate	Dec 2016	Dec 2015	12 Mos Change	YTD 2016	YTD 2015	YTD Change
Butler	0.75%	\$3,782,983	\$3,614,713	4.66%	\$44,065,247	\$41,394,470	6.45%
Clark	1.50%	\$2,153,274	\$1,960,999	9.80%	\$25,740,903	\$25,014,911	2.90%
Darke	1.50%	\$803,842	\$696,638	15.39%	\$8,902,243	\$8,640,042	3.03%
Greene	1.00%	\$2,357,562	\$2,209,134	6.72%	\$27,049,970	\$25,613,181	5.61%
Miami	1.25%	\$1,538,764	\$1,423,092	8.13%	\$18,013,539	\$17,321,802	3.99%
Montgomery	1.00%	\$7,020,076	\$6,446,498	8.90%	\$83,580,671	\$78,695,964	6.21%
Preble	1.50%	\$492,047	\$441,069	11.56%	\$5,862,518	\$5,579,574	5.07%
Warren	1.00%	\$3,228,668	\$3,159,144	2.20%	\$39,155,088	\$36,952,384	5.96%
Region Total		\$ 21,377,216	\$ 19,951,288	7.15%	\$ 252,370,180	\$ 239,212,329	5.50%

Source: [http://www.tax.ohio.gov/tax\\_analysis/tax\\_data\\_series/sales\\_and\\_use/publications\\_tds\\_sales/\\$1M0116.aspx](http://www.tax.ohio.gov/tax_analysis/tax_data_series/sales_and_use/publications_tds_sales/$1M0116.aspx)

#### Residential Home Sales

	Nov '16	Nov '15	%Change	YTD '16	YTD '15	%Change
Number of Homes Sold	1201	944	27.22%	14861	13500	10.08%
Total Home Sales	\$178,966,344	\$128,077,672	39.73%	\$2,190,213,703	\$1,886,684,542	16.09%
Average Sale Price (\$)	\$149,014	\$136,543	9.13%	\$147,380	\$140,640	4.79%

Source: Dayton Area Board of Realtors, Dayton Area Home Sales for November 2016

### Calendar of events

Register for all events at Dayton-Chamber.org.

**Generation Dayton Volunteer Opportunity**, April 8, 11 a.m.-4 p.m., 3730 Delphos Ave., Dayton. Topic: Giving back to Rebuilding Together Dayton

**Safety Breakfast with the**

**Experts**, April 20, 7:30-9 a.m., Crowne Plaza Dayton, 33 E. Fifth St., Dayton. Topic: Annual BWC Update. Speaker: Bob Braun, regional business development manager, Ohio BWC

**2017 Annual Meeting**, April 20, 7:15-9:15 a.m., Sinclair Conference

Center, 444 W. Third St., Building 12, Dayton. Keynote speaker: Tim Brown, president, Cincinnati/Dayton division, The Kroger Company

**Generation Dayton Speed Networking**, April 20, 5:30-7:30 p.m., Dayton Racquet Club, 40 N. Main St., Dayton

**Dayton Area Logistics Association Event & Tour**, April 26, 3-4:30 p.m., Winsupply Distribution Center, 9300 Byers Road, Miamisburg. Topic: The story of Winsupply; speaker: Richard W. Schwartz, chairman of the board, Winsupply, Inc.

## Ohio State reviewing energy proposals

3 teams with international ties vie for contract.

**By Mark Ferencik**  
The Columbus Dispatch

COLUMBUS — Ohio State University is reviewing proposals from three teams with international connections to lease and operate its energy systems, officials announced.

OSU released Tuesday an unredacted copy of its request for proposals, which it says it withheld because release before receipt of the proposals would have endangered university trade secrets.

A lawyer who saw the

unredacted copy said Ohio State had “nothing but contempt for public records law” when it blacked out those sections.

“There is no way to take the trade secrets claims at face value,” said lawyer Jeff Vardaro, a Columbus lawyer who represents a party concerned about the university selling off these operations to private companies.

The university is reviewing proposals from these teams:

- Brookfield Asset Management of Toronto, Canada, and its Enwave District Energy, a sustainable energy services company.
- ENGIE North America, a division of a French electric generation company with

offices in Montreal and New York, and Axiom Infrastructure, a portfolio management company in New York.

- Macquarie Corporate Holdings, part of an Australian global investment banking group, and Veolia Energy Operating Services, based in Boston.

The three teams had to respond to OSU’s request for proposals by this past Friday.

The university’s plan is opposed by groups worried about the loss of union jobs and how OSU uses and conserves energy.

Two weeks ago, the university released a 40-page, redacted copy of the request for proposals it sent to bid-

ders, who were able to see the whole thing. The university said it redacted phrases, sentences and pages it considered to be trade secrets.

Vardaro said the unredacted copy released Tuesday showed that OSU blacked out things such as interview dates to head off potential protests. The university also redacted the scoring system for the bids and didn’t include a concessionaire’s agreement that covers “all of the crucial details of the project.”

“The public has no way to review whether this is a good deal for the university or a sweetheart deal for the energy industry,” he said.

**FAMILY LAW**

Knowledgeable. Experienced. The right solution for you in the stressful situations of complex family issues.

**PICKREL SCHAEFFER EBELING**  
A Legal Professional Association  
Practicing Law Since 1915

Matthew Sorg

www.pselaw.com • 937-223-1130

Personal Attention. Experience. Results...What you can expect from PS&E!



News about  
your county,  
your city,  
your neighborhood.  
Dayton Daily News  
Complete. In-Depth. Dependable.