

A Message from the President...

After an intense hurricane season and with the rising costs of utilities, NELA continues its efforts to educate its members about cost saving methods. NELA has teamed up with WPS Energy Services to bring energy savings directly to its members. A presentation by representatives of the company will kick off our Spring Seminar "Energy Management & Disaster Recovery: Making Your Plant Work Smarter, Not Harder" to discuss the program. More information can be found on page 3.

We also have two interesting speakers lined up for our spring seminar...**Chip Malboeuf** from Turn-Key Industrial Engineering and **Bob Harris** from VF Imagewear will be presenting. We encourage you to attend and bring staff with you whom you feel would benefit. *What will you learn by attending?* Topics include information that you should know and plan for in case your facility encounters a disaster; utilities savings opportunities in electrical, water, compressed air and natural gas; and methods you can use within your facility to ana-

lyze and improve the flow of goods from beginning to end.

We are pleased to announce that the 94th Annual Meeting and Fall Conference will be held at the Hyatt Regency Newport in Newport, RI on October 19-22, 2006. Please mark your calendars and plan now to join us.

We had a great time learning, networking, and visiting Ogunquit, ME this past fall. Thank you to everyone who sponsored and helped to make it such a success. For those of you who couldn't join us, some photo highlights are on page 5.

NELA continues to monitor legislative activity here in Massachusetts. Laundries are exempt from personal property tax. If you have received a bill or a request for a listing of your personal property, be sure to read the article on page 2.

Get Involved... We need everyone in NELA to become involved. There is a

(cont. on page 4)

Upcoming Events

2006 Spring Seminar

May 17, 2006

"Energy Management & Disaster Recovery: Make Your Plant Work Smarter, Not Harder"

**Bob Harris, VF Imagewear
&
Chip Malboeuf, Turn-Key
Engineering**

Crowne Plaza, Worcester, MA

12th Annual Golf Outing

May 18, 2006

Golf Outing

Wachusett Country Club
Boylston, MA

94th Annual Meeting & Fall Conference

October 19-22, 2006

Hyatt Regency Newport
Newport, RI

Watch your mail for more information.

*Please contact the NELA office at
781.397.8870 with any questions.*

Meet Our Spring Seminar Speakers

Chip Malboeuf is vice president of operations for Turn-Key Industrial Engineering Services, Inc. Chip's experience includes both process engineering and plant design. Before joining Turn-Key, he served as engineering manager for Omni Services, Inc., overseeing the capital project and process engineering groups. Chip has been an active member of UTSA, and currently serves as a supplier representative on the steering committee for the plant operations committee. His other career experience includes design and modification of power distribution systems for nuclear

aircraft carriers at Newport News Shipbuilding. Chip holds a Master's in business administration from the College of William and Mary and a Bachelor of Science degree in electrical engineering from Western New England College.

Bob Harris is currently manager of product performance with VF Imagewear, Inc. based in Nashville, TN. Bob has been with VF Corporation for 35 years with experience in garment manufacturing, quality control, merchandising, and outside resourcing. During

the past 19 years, he has been working directly with customers to resolve technical issues and to help ensure garments perform to expectations. Bob has been active on the UTSA plant operations committee for more than a decade and in the TRSA plant operations committee for three years. He is a North Carolina native with a Bachelor's degree in textile technology from North Carolina State University in Raleigh, NC.

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Thank You To Our Sponsors 2006 Spring Seminar & 12th Annual Golf Outing

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781.397.8870 or visit our website www.nelaundry.org.

Golf Flag

- ❖ American Dawn, Inc.

Personal Property Tax Forms

If you run a laundry in Massachusetts, you are exempt from paying personal property tax on any equipment which is related to the business.

However the city or town in which you operate may send you a form or a bill. If that happens, here is how you should handle it.

- ❑ Fill out the form you were sent (which asks for the owner's name, etc.)

- ❑ On the Form of List, only list any items (if you have any) that are not used for the laundering processes, refrigeration of goods, or in the air

conditioning of premises or in any purchasing, selling, accounting or administrative function. State on the form that you are exempt under Mass. General Law, Chapter 59, Section 5.

- ❑ Enclose a letter stating that you are exempt and include a copy of the law.
- ❑ Do NOT list any equipment which is exempt.

If you need a copy of the law, please contact the NELA office and we will be happy to send it to you.

From UTSA Scoop...

Bar Codes Still Going Strong

It's said that the rental laundry operations are more like factories than retail operations; if that's the case, widespread use of RFID technology in our industry might be slower than anticipated. A recent Industry Week article highlighted how uses for bar codes and their capabilities are increasing, and most manufacturers prefer them over RFID because of their lower cost. "RFID within the supply chain is primarily driven by compliance requirements of retailer, and manufacturers are still struggling to find ROI with RFID tags when the bar code has provided good payback for them," a consultant told Industry Week. Even Texas Instruments, Inc., which is hard at work on RFID technology, still uses bar codes to drive all its supply-chain processes. "We don't want any cost increases; we recognize that we will see increased cost of goods with RFID, and we don't have that luxury, as some retailers, of accepting cost increases," a company spokesman said.

New Form of Compliance Flexibility

Instead of the traditional enforcement approach, imagine every industrial laundry in your state, regardless of location or individual pollutant loadings, subjected to the same air, water, and solid waste standards. Plans to facilitate this type of "environmental results program" (ERP) are popping up around the country. One example is particularly close to home for launderers: the Massachusetts program for drycleaners. This approach replaces facility-specific state permits with industry-wide environmental performance standards and annual certifications of compliance. EPA is funding the establishment of such programs: Colorado has applied for support for an ERP-like program for major wastewater facilities such as POTWs. Providing them with such regulatory flexibility could result in a much more efficient enforcement program and potentially mitigate increases in the fees we pay to use them.

From American Laundry News...

• Union must pay Sutter Health \$17 million in defamation verdict

• UNITE HERE must pay nearly \$17.3 million in damages for defaming the not-for-profit Sutter Health network of doctors and hospitals, a Placer County, Calif., jury found July 21.

• The jury found the New York-based union acted with "fraud, malice or oppression when it mailed defamatory postcards to consumers in communities served by Sutter Health hospitals," the network says in a press release.

• The direct-mail piece sent to women of childbearing age suggested that Sutter Health hospitals used linens that were inadequately cleaned by an outside commercial laundry service. At the time, UNITE HERE was in a labor dispute with the laundry service, Sutter Health says.

• The union is expected to appeal the jury's decision. "We are pleased that the leaders of UNITE HERE have been held legally accountable for recklessly frightening patients and the public through outrageous and false allegations," says Michael Roosevelt, chair of the Sutter Health Board of Directors.

• Sutter Health and its hospitals plan to invest the damages received directly into advancing patient care. "We have strict quality assurance processes in place to ensure our linens meet our high quality and safety standards," says Dr. Gordon Hunt, Sutter Health's chief medical officer. "To

New Member Benefit

The Northeast Laundry Association and WPS Energy Services are pleased to introduce a natural gas price management program designed for smaller customers.

Typically, smaller customers lack the gas usage that attracts competitive natural gas supply prices from multiple natural gas supply providers as well as the ability to manage their natural gas price and mitigate the severe price volatility that exists within the natural gas market.

Participation in this program will

- (1) **outright save** between 1 to 10% on commodity costs,
- (2) **produce favorable contract terms** and conditions that larger customers experience,
- (3) **reduce the volatility** in the commodity price, and
- (4) **save you time and money** associated with performing the task of purchasing natural gas.

More information is available by contacting the NELA office 781.397.8870 or nela@guildassoc.com.

NELA Needs You

- **Recruit a New Member**
- **Renew an Existing Membership**
- **Write an Article**
- **Sponsor a program**
- **Do Something**

Contact us at 781.397.8870 or write:
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Members' Corner

Best Manufacturing Group LLC, the nation's largest manufacturer and distributor of table linen and napery for the hospitality, healthcare and textile rental industries, announced today that the Company—with the exception of its subsidiaries in Mexico, Canada and Cambodia—filed a voluntary petition under Chapter 11 of the Federal Bankruptcy Code in the United States Bankruptcy Court for New Jersey in Newark. Despite organizational improvements and the positive impact of the Company's transformation strategy over the past several months, demands by its lenders created unnecessary liquidity pressures causing the Company to file for restructuring under Chapter 11.

Best has sufficient liquidity to operate and normalize relations with its vendors in order to ensure timely service and merchandise flow to its customers, which include leaders in the hospitality, healthcare and textile rental industries. The Company has also been working closely with its lenders and suppliers to address trade claims and expects to quickly normalize its relationships. The Company anticipates continued support from its suppliers and customers as it de-leverages the balance sheet and reorganizes under Chapter 11. "Our rapid growth through acquisition over

the past several years, coupled with softness in certain areas of the market contributed to the liquidity issues that precipitated our filing for Chapter 11 protection," said Scott Korman, chairman of Best Manufacturing. "This strategic restructuring will allow the management team to focus its efforts on improving our capital structure, enhancing our operational efficiency and improving both our top- and bottom-line performance in order to restore the Company to health and position us for the future. The restructuring also ensures that we address our immediate liquidity concerns, so that we can maintain critical supplier and customer relationships," said Ben Shoaf, president and chief executive officer.

During the past several months, management developed and implemented a strategic transformation plan designed to strengthen the Company's financial performance and to improve operational efficiency companywide. Key elements of this strategic plan include shifting more business to Cambodia, increasing overseas purchases, closing the King of Prussia, PA, and Mahwah, NJ, facilities, reducing manufacturing at the Cordele, GA, operation, launching a new hospitality apparel line, and consolidating healthcare and institutional

into one institutional division. The Company will continue to execute and expedite these initiatives throughout the restructuring process. At the same time, management will continue its rigorous evaluation of the Company's financial structure and operations to identify and maximize opportunities, including certain benefits provided to companies that reorganize under Chapter 11, to increase sales, while improving the Company's efficiency and cost-effectiveness. Korman added, "We believe that the decision to file, although difficult, was in the best long-term interest of the Company, employees, customers, vendors and other valued business partners. We plan to take full advantage of the opportunities presented by this restructuring to address both our financial and operational issues in order to position our company for long-term success."

To have your company featured in the next issue, please send your information to the NELA office at nela@guildassoc.com.