



Some Days, Chicken; Some Days, Feathers...

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It is an old Wall Street saw that some days go well – chicken – and some don't go so well – feathers. With the economy doing what it is doing and fuel prices at the dock at \$5/gallon or higher, it sure seems like "feathers" now... So, let's buy a boat!

The present economic environment has slowed down new boat sales tremendously and used boat sales even more...and when that happens, the buyer is the one setting the price, not the seller.

Industry analysts say that new boat sales are down 20 percent. Brunswick, who owns Bayliner, and Sea Ray have both announced that unit sales (# of boats, not boat prices) are down to 1965 levels. Many other manufacturers have noted substantially the same trend. I wouldn't be surprised if you could negotiate a bank loan rate. Certainly, the Federal Reserve has been lowering

interest rates to historic lows again to help the economy get up off its back and at least up on one elbow. So, low prices and low interest rates – could that be "chicken?"

The Boat Market

While prices on used boats have stalled even more than new boats, would you be surprised to know that statistics show that used boat sales accounted for 72 percent of all boat sales in 2006? Most industry analysts believe that this trend has continued in 2007 and 2008. While the experts can't decide whether the nation is in a recession or not, any seller of boats will tell you that the boat sale industry has been in one since \$4/gallon. A Bank of America report noted, "Factors such as the housing slowdown, mortgage defaults, growth in the used boat market and low consumer sentiment are affecting the overall marine

industry...The current expectation in 2007 for industry boat retail sales is roughly 260,000 units, which is below the lowest level of 270,000 units in the early 1990s..."

Many industry experts talk about the boat market, using the statistics published by the National Marine Manufacturers Association (NMMA), having a five-year cycle to it with three "up" years and two "down" years. The data says now that that has flipped to three "down" and two "up" years.

The last time there was an extended "recession" in the boating industry was the late 1980s into the early 1990s. By the time it came out of that recession, there were a lot fewer boat manufacturers for two reasons – the weak ones went belly up and the big got bigger. They didn't buy boats; they bought boat companies! Rather than addressing a niche, they looked to

serve the broad boating market, up and down the economic strata.

If boating companies are buying boat companies, should we be buying boats?

Where Are We Now?

Certainly, the industry itself has gotten smarter. They built product lines, not just served niches that might shrink or even disappear in tough economic conditions. They are also more cost-conscious and run like modern corporations, not a club. The weak dollar has added to the attractiveness of American boats overseas and more American boats are sold overseas than ever before. The industry has also become more customer focused and created brand loyalty based on service, not just features.

With that said, these tough times hit the consumer as hard as ever. And there is no comfort in thinking about

selling a house you can't carry so you can buy a boat you might live in. But, there is a new segment to the market out there and it is going to get larger before it gets smaller – the baby boomers who are not retiring or, if not retiring, certainly "empty nest'ers" with grown kids and a small, if any, mortgage.

So, think about it. If it is "feathers" for some if not many, can it be "chicken" for you and your new boat in this environment?

So, you aren't thinking about buying a boat? Can there ever be more advantages in the hands of the buyer?

BTW, if you are interested in being part of USCG Forces, email me at joinuscgaux2008@aol.com or go direct to MaryJo Cruickshank, who is in charge of new members' matters, at fso-ps@emcg.us and we will help you "get in this thing..."

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Upfront with Kate Browning, Part 3

I ask Kate to confirm a report that she arranged a county community grant to the Mastic Beach Property Owners' Association (MBPOA) that was intended to be funneled to another community group, the Smith Point Beach Property Owners' Association (SPBPOA), which did not have the requisite 501(c)(3) nonprofit status.

She confirms the report and adds that it was for decorative highway banners that would welcome drivers along William Floyd Parkway to Smith Point. Only \$4,000 of the \$5,000 grant was needed to pay the invoice for the banners. She explains that it is more than appropriate for one association from one hamlet to sponsor efforts to beautify a different, yet neighboring, hamlet. She also explains that, contrary to rumor, her grant activities are not under investigation by the district attorney and the county executive.

Montauk Highway Reconstruction Project

She next reports that the Montauk Highway Project is moving along on schedule for an early spring groundbreaking. The project, which is funded 20 percent by the county and 80 percent federally, has been supplemented with a study by the Department of Public Works and the Suffolk County Sewer Agency to issue recommendations for the creation of a sewer district for the William Floyd community. The county study will be done "in house" and will take approximately eight months, at the end of which the local business owners on Montauk Highway will be able to decide if the cost of establishing a sewer district and laying dry sewer lines during the highway reconstruction is acceptable to them.

South Shore Press Legal Notices

I approach a subject that she says she knows is com-

ing, her lack of support for *The South Shore Press* in its efforts to be selected for the printing of county legal notices. Newspaper management reports that loss of the legals would mean a loss of significant revenue that would, in turn, result in layoffs of employees, most of whom are Kate's constituents. I note that *New s d a y* alluded on May 15th to possible political reasons for not supporting the newspaper, considering Kate—of the Working Families Party—represents a traditionally Republican district. She finds such supposition "outrageous," while admitting that she is "always going to be targeted (for defeat)" and that a "newspaper should be non-partisan." Her reason for

abstaining from voting on the awarding of the legals is that she is currently pursuing a lawsuit against *The South Shore Press (SSP)* for comments made by a former columnist at the paper that went "over the line." She cites the fact that there were no "no" votes at the

On June 13th, I call Legislator Romaine for his opinion on Kate's bill which replaces his. "It stinks! It's a weak bill!" he responds.

meeting of the County Legislature on May 13th: one Democrat voted "for" the SSP, while all others abstained; and one Republican abstained, while all others voted "for" the SSP. When I ask her if the other legislators abstained to help her out, she responds, "I have no idea why they abstained. I didn't have any conversations with other legislators." (On June 10th, the County Legislature voted 12-5 to restore legal notices to the SSP. Kate voted "no.")

Kate's Accomplishments

Before ending our afternoon together, I ask Kate to identify five of her accomplishments in office. First she cites her efforts at improving levels of protection from sex offenders and at pushing for state legislation. Next, she is proud of her support of county legislation to keep county properties off the auction block, away from speculators and available to first-time homebuyers. Third is her work to help the Montauk Highway Project become a reality by early spring 2009. Her efforts to improve the business districts in the Tri-Hamlet area are a source of personal satisfaction. Finally, progress toward creating a sewer district in the William Floyd community has been significant, especially overcoming the nemesis of the Southwest Sewer District scandal of the 1970s. She observes that we must keep "moving forward" on all fronts.