



ITEMS

NEWSLETTER

August 2005

Scheduled Plant Shutdown Makes Time for Many Improvements in Oakland Foundry



The second scheduled plant shutdown of 2005 was completed on August 7, and with its conclusion came a long list of enhancements and changes to the foundry, geared toward streamlining operations and keeping the equipment running at peak efficiency.

"We do this [shutdown] twice a year at AB&I," said David Robinson, environmental engineer for the Oakland-based foundry company. "We work our equipment pretty hard most of the time," said Robinson, "so these shutdowns give us a little downtime to rebuild or maintain our machinery, as well as make foundry changes that help us do things a little better."

This shutdown, which started in late July, saw several important additions made to the foundry. For starters, the complete bottom section of the cupola underwent extensive

reconstruction.

"This was a big job," said Robinson, "the kind of thing most foundries would farm out to somebody else to do." But not AB&I. AB&I foundry team members are so skilled at their jobs that they took on

this major rebuild themselves. "Our guys are better than anyone else we could hire to do this," said Robinson, "so we turned them loose." The result was a great job, completed in less time at lower cost than if it had been contracted out.

"I never cease to be impressed by our team members," said AB&I vice president, Kip Wixson. "Every company says they have great people, but at AB&I, it's true."

In addition to the rebuild on the cupola, AB&I team members completed a major retrofit on #4 baghouse, greatly improving the way dust collected from foundry operations is stored. "This change will significantly reduce our baghouse maintenance needs," said Robinson.

A reflection of the times in which we live, a new radiation detection system was

installed, replacing the old system, to alert foundry people to any radioactivity that may be present in the incoming scrap iron we use.

Additionally, the new pipe finishing system was improved upon, the furnaces for two pipe machines were rebuilt, improvements made to the water treatment plant, and an upgraded air collection system at the pour zone on the new Disa 270 molding machine was added.

Extensive work was done to the foundry electrical service, and all large motors used in the foundry were thoroughly cleaned. New fencing was also added to the foundry grounds.

"This was a very productive shutdown," continued Wixson. "The time away from production enabled us to do the maintenance and make the changes we've been planning for quite some time."

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Perspective

Millionaires Going Broke and Couplings That Could Break Your Heart

I'm being reminded of the repercussions of bad decisions lately. Seems like everywhere I look, I'm hearing or seeing a story about somebody getting into trouble in one way or another as a result of doing something dumb. Not malicious, or dishonest (though that happens too, as I'll relate below), but just dumb. It's always a shame and a pity to learn about bad things happening to otherwise good people, but we can learn a lesson from the mistakes of others. And we should.

I came across a really disturbing article lately about NBA players who made it big, then went bust (see next page). I thought about what a life ride many of these players have had, the struggles that they went through to get to the top of their game, and the adjustments they had to make when their dough ran out.

Sometimes these players were taken advantage of by their agents and financial advisors. Such was the case with 21 year old Charles Barkley, who invested big in a cattle ranch on the advice of his agent. The ranch went belly up, the owners went bankrupt, and the creditors flocked to Barkley to pay, since he was still earning money in the NBA. After four years in the league, he was dead broke. He made it back, since he was still young, but others don't recover.

Oftentimes, the financial problems these players experience have more to do with bad decisions. Alcohol, drugs, gambling, lavish lifestyles and women have a way of turning big paychecks into massive payouts. Many NBA players are paying tens of thousands of dollars each month in child support. Others get caught up in picking up the tab for needy friends and extended family. Still others spend too much on cars, fancy houses, and parties

When their playing days are over, their big incomes stop cold, but their expenses keep rolling on. It doesn't take long for the well to run dry.

So, how does this happen? How can somebody with so much talent, earning so much money, blow it so thoroughly that by the time they leave the game, they're as poor as church mice?

Training. Just like in business, oftentimes the factor that differentiates the successful from the less successful is basic training. I'm not talking about sophisticated financial planning, here; I'm just talking about the fundamentals that most of us learn through osmosis while growing up. Things like budgeting for taxes, like saving 10% or so of your income every month, like diversifying investments. Just as important are the lessons most of us learned about not drinking and partying to excess, about respecting women, and about thinking, at least a little bit, about the future.

The environment that many of these NBA players were raised in did not emphasize planning for the future. Chaotic home environments, financial deprivation, peers setting all the wrong examples of how one should live, and a focus on basketball only as the way out of their plight, all contribute to the roller coaster ride that is reality for too many of these fine young players. It's a darn shame to come so far, only to be brought down again by circumstance or bad decisions.

Those of us in business can learn a lesson from these guys. Do we do an adequate job of planning for the future? Do we have budgets that we actually stick with? Are we reinvesting in our companies so that we remain at the forefront of our industry, or do we let our equipment and people run themselves down to the point that our

operations drag for lack of spirit? Are we constantly building for our futures, or just going out of business slowly?

Sure, most of us in business don't have multi-million dollar personal incomes every year, but most of us didn't start from the same place many of these NBA players did, either. What's our excuse for not achieving our full potential? Is it bad decisions we make this year that affect us next? Should we have seen the train coming? Are we educating ourselves to keep pace with the changing business world?

At AB&I, we spend a lot of time thinking about these things. We think we do a pretty good job in most areas, but there's always room for improvement. And that's what we're doing when we close the plant down twice a year for two weeks – improving.

Anyway, it's a shame to see these millionaires go bust. Maybe, at least, we can learn something from it.

We got some feedback on our article last month about the bogus imported couplings that purport to have gaskets made from neoprene when, in fact, the gaskets are made from some undefinable inferior material. It's true. These unscrupulous manufacturers actually made couplings using neoprene gaskets to get listed with IAPMO and others, only to change the material used in the actual couplings sold into the market. It's not only cheating and dishonest, it's putting the public at risk. What if these couplings fail (the ones tested failed virtually every standards test put to them)? Who pays the bill for replacement? Even more troubling, what does a listing mark really mean if we can't be assured that the products sold are like the products tested during the listing process? Integrity is the basis of all good business. Without it, we're all sunk.

Nothin' But Debt: NBA Stars Lose Big

How many NBA players go from rags to riches back to rags

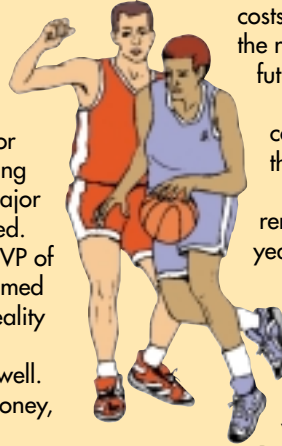
A recent article in the Boston Globe detailed how many Celtic and other NBA players blew through millions and found themselves broke, or nearly so, after years of playing pro ball.

Take Michael Cooper and Cedric Maxwell, for example. Earning many millions of dollars during their NBA careers, both players ended up in major financial difficulty once their playing days ended.

"We lived for the moment," said Maxwell, MVP of the 1981 finals against Houston. "We just assumed it would last forever." But it didn't, and when reality set in, it was too late to do much about it.

"I had investments that went bad," said Maxwell. "When that happens, you not only lose your money, you end up paying fines and penalties."

Bad investments can be expensive for players, but so can bad life choices and just plain irresponsibility. Satch Sanders, the NBA's vice president of player programs, knows all about the



costs of living large in the NBA. "We try to teach and say all the right things, but getting them [players] to look into the future is virtually impossible," he said.

"When you find yourself in a paternity situation, it can cost you as much as \$26-30,000 a month, for one child. If there's more, double it," said Sanders.

Even the big names aren't immune. Charles Barkley remembers being flat broke after several seasons. In his first year, he "went out and bought six cars." He also trusted his agent to make good investments for him, a bad decision to say the least. When the investments went bust, so did Barkley.

Maxwell tells a story about team mate Curtis Rowe.

"He was rolling in it. He was one of my best friends, but we lost touch. Someone I know saw him on a street in Detroit, barefoot, with nothing."

Moral of the story? What we have today is fleeting. Make the most of it. Life changes, and not always for the better.

Norman Tada Wins Movie Quote Contest

Congratulations to Norman Tada of Oahu Plumbing for winning last month's "Just for Fun" contest, correctly naming all the movie titles and actor names associated with the famous quotes. Norman will receive a custom AB&I golf shirt, suitable for wearing year-around in his beautiful Hawaiian weather. For those of you who need a refresher course on your movie lines, here are the answers to last month's quiz:

1. "Frankly my dear, I don't give a damn."

Gone With the Wind Clark Gable

2. "I'm going to make him an offer he can't refuse."

The Godfather Marlon Brando

3. "You don't understand. I coulda had class. I coulda been a contender. I could've been somebody, instead of a bum, which is what I am."

On the Waterfront Marlon Brando

4. "All right, Mr. DeMille, I'm ready for my closeup."

Sunset Boulevard Gloria Swanson

5. "You talking to me?"

Taxi Driver Robert Deiro

6. "What we have here is a failure to communicate."

Cool Hand Luke Strother Martin

7. "I love the smell of napalm in the morning."

Apocalypse Now Robert Duvall

8. "The stuff that dreams are made of."

The Maltese Falcon Humphrey Bogart

10. "Louis, I think this is the beginning of a beautiful friendship."

Casablanca Humphrey Bogart

11. "A census taker once tried to test me. I ate his liver with some fava beans and a nice Chianti."

The Silence of the Lambs Anthony Hopkins

12. "There's no crying in baseball!"

A League of their Own Tom Hanks

13. "After all, tomorrow is another day."

Gone With The Wind Vivian Leigh

14. "I'll have what she's having."

When Harry Met Sally Estelle Reiner

15. "You're gonna need a bigger boat."

Jaws Roy Scheider

16. "We rob banks."*

Bonnie and Clyde Warren Beatty

17. "You had me at 'hello'."

Jerry Maguire Renee Zellweger

18. "They call me Mr. Tibbs."

In the Heat of the Night Sidney Poitier

*Several Items readers wrote in that it was Faye Dunaway who said "We rob banks," but the American Film Institute says it was Warren Beatty, so that's how we scored it. Anyway, several people got almost all the questions right, which indicates either how sophisticated our readers are, or that they have far too much time on their hands. Great fun all-around, and thanks for participating.

This Just In...SUVs Not Responsible for Global Warming After All - Cows Are!

Where else but at the University of California would serious(?) scientists study the effects of – how can we say this politely – cow gas?

In a white, tentlike “biobubble,” eight cows are eating, sleeping, chewing, pooping, and passing gas, all in a tightly controlled and measured environment designed to establish, once and for all, by golly, what environmental impact cows have on air quality. One of the burning questions being asked by this taxpayer-funded study is, just how much gas does a cow actually emit?

Now, these scientists are not just satisfying an idle curiosity. No way. At the root of this and similar research is the \$multi-billion question of whether or not dairy farms need to install expensive and finicky pollution-capture equipment.



Environmentalists say yes, they should. Farmers say it's just ridiculous.

Current estimates of the amount of harmful volatile organic compounds (VOCs) produced by cows range from 5 lbs. per year per cow to as much as 20 lbs. But, an interesting fact has emerged from this UC study so far: the bulk of the gas comes not from the cows' nether regions, but from the regurgitated food (cud) that cows spend hours chewing.

So the scientists say they are not the flatulence police, but rather just doing research to help mankind control their environment a little better. Some people would say it smacks of a boondoggle. But all the cows say is, moooo.

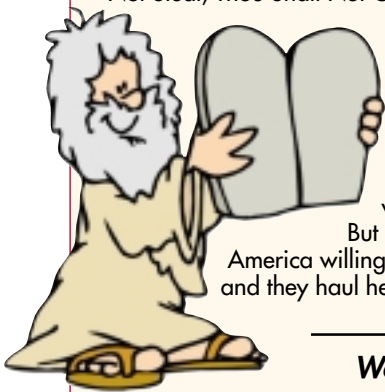
Just for Fun...

George Carlin Said it Best...

COWS. Is it just me, or does anyone else find it amazing that our government can track a cow born in Canada almost three years ago, right to the stall where she sleeps in the state of Washington. And they track her calves to their stalls, too. But they are unable to locate 11 million illegal aliens wandering around our country. Maybe we should just give them all a cow.

CONSTITUTION. They keep talking about drafting a Constitution for Iraq. Why don't we just give them ours? It was written by a lot of really smart guys and it's worked for over 200 years. Besides, we're not using it any more.

TEN COMMANDMENTS. The real reason that we can't have the Ten Commandments in a courthouse? You cannot post, Thou Shalt Not Steal, Thou Shalt Not Commit Adultery, and Thou Shalt Not Lie in a building full of lawyers, judges and politicians. It creates a hostile work environment.



MARTHA STEWART. Boy, I feel a lot safer now that she's behind bars. O.J. Simpson and Kobe Bryant are still walking around. Osama bin Laden, too. But they take the one woman left in America willing to cook, clean and work in the yard, and they haul her a__ off to jail!

Words to Live By...

A good time to keep your mouth shut is when you're in deep water.

Seat belts are not as confining as wheelchairs.

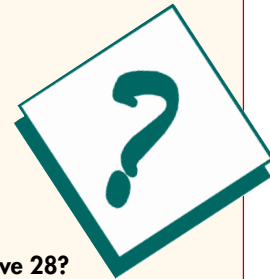
The best thing about the future is that it always starts tomorrow.

Money will buy a fine dog, but only kindness will make him wag his tail.

Monday Morning Quiz...

It may not be Monday, but try it anyway.

1. Is there a Fourth of July in England?
2. How many birthdays does the average man have?
3. Some months have 31 days; how many have 28?
4. How many outs are there in an inning?
5. Is it legal in California for a man to marry his widow's sister?
6. Divide 30 by 1/2 and add ten. What is the answer?
7. If there are three apples and you take away two, how many do you have?
8. A doctor gives you three pills telling you to take one every half hour. How many minutes would the pills last?
9. A farmer has 17 sheep and all but nine die. How many are left?
10. How many animals of each sex did Moses take on the ark?



1. Yes, it comes after the Third of July. 2. One - just one, 3. All twelve months have 28 days - at least, 4. Six - three per side, 5. It's legal, but impossible, because the man is dead, 6. 70 - (30 divided by 1/2 = 60; add 10 = 70), 7. You have two, the ones you took, 8. 60 - start with the first pill, 30 minutes later take the 2nd pill, then 30 minutes later take the third. That's 60 minutes, 9. Nine, Zero. 10. Moses didn't have an ark, Noah did.