

1975

Office profile -- Rochester

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Recommended Citation

H&S Reports, Vol. 12, (1975 winter), p. 01-11

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Rochesterville, in the beautiful Genesee River Valley of upstate New York, was founded in 1812 by Colonel Nathaniel Rochester of Maryland. He and his associates had purchased land along the river to utilize the Genesee Falls for power to mill flour. Soon the mills were grinding flour day and night at the four cataracts of the lower Genesee, producing more flour than any other milling center in America.

Governor DeWitt Clinton's "Big Ditch," the Grand Canal from the Hudson River to Lake Erie, contributed greatly to the destiny of the community. By 1822, the canal had reached the east bank of the Genesee. To raise the canal above the river and allow it to continue to its western terminus, a massive, gray stone aqueduct was built. "The bridge that carried water" was 802 feet in length. The river passed beneath it through a series of Roman arches, while canal boats passed above in a trough of water 17 feet wide.

The entire length of the Grand Erie Canal was opened in 1825. Rochester (the last syllable dropped by usage and official decree) gained greater advantage from its opening than any other seat of population along its route. As the mills ground the wheat brought in from the fertile growing lands surrounding the village, the canal provided the means for wide distribution of the flour to both domestic and foreign markets. Rochester was to become known as "Flour City."

With the opening of the vast western wheat fields in the mid-1800s, and the movement of the millers to accommodate the growers, this phase of the economy declined. By this time, however, Rochester had become the home of the largest commercial nurseries in the world and "Flour City" became known as "Flower City," the sobriquet it bears today.

The emphasis in Rochester's economy changed again following the Civil War, when waves of technically skilled immigrants helped to reshape the city's growth around precision manufacturing. Industrial pioneers like George Eastman, Edward Bausch and Henry Lomb founded local concerns whose products are now known worldwide.

Over the years Rochester has earned its reputation for fine craftsmanship. The city leads the world in the production of photographic material, xerographic

OFFICE PROFILE

Rochester:



Downtown Rochester's ever-changing skyline.

Rochester partner in charge D. Robert Nicholson.



Apples...

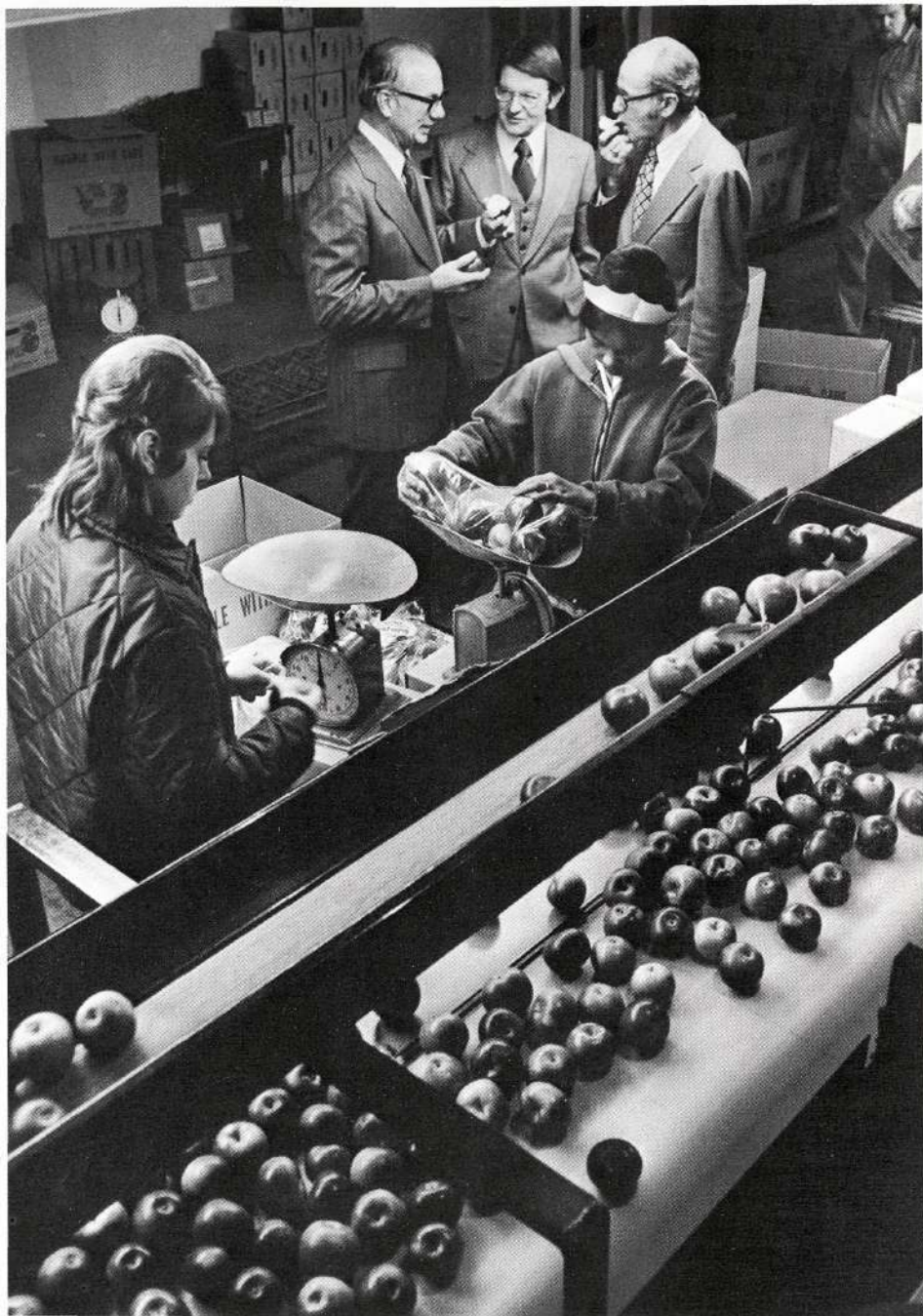
equipment, optical instruments and lenses, dental equipment and gearcutting machines—all precision industries. It also ranks high in the printing, publishing, food processing and pharmaceutical industries, and in the production of medical, surgical, automotive and office equipment.

Modern Rochester is a prosperous community. With an unusually high percentage of professional, technical, skilled and semi-skilled people among the nearly 900 thousand living in the metropolitan area, the city enjoys one of the higher per capita income levels in the country. And because of the diversity of industry in the area, Rochester also has one of the lowest unemployment rates in the country.

Haskins & Sells' presence in Rochester goes back to 1956 when we merged with the local public accounting firm of Williams, Clapp and Company. D. Robert Nicholson, now partner in charge of the office, had joined the parent firm, Charles L. Clapp and Company in 1948. "Charlie Clapp had been with H&S from 1933 to 1943," Bob recalls, "then he came up to Rochester to work for a bank and finally opened his own accounting practice. Al Gilman (now a partner in Executive Office) and I were the staff in those days and Charlie Clapp was the boss."

In 1951 Glenn Williams joined Charlie Clapp to form Williams, Clapp and Company. With the merger in 1956, Glenn Williams and Charlie Clapp were admitted to H&S as partners, while Al Gilman and Bob Nicholson joined the Firm as principals. Bob Nicholson became a partner in 1959 and became partner in charge of the Rochester office in 1967, succeeding Bill Gasser.

Home base for Haskins & Sells people in Rochester over the past 12 years has been the Midtown Tower, a prominent part of the city's growing skyline, and famous for its sprawling Midtown Plaza with its wide variety of stores and specialty shops. H&S occupies about three-fourths of the eighth floor of the building and has undergone a complete remodeling and expansion of the offices under the supervision of manager Art Bour, with suggestions and assistance from every quarter.



Apple packers. As three-pound bags of McIntosh apples are packaged for fresh marketing, Sodus Fruit Farms' executive vice president and general manager Steve Putnam (l.) discusses the season's crop with partner Dick Crilly (c.) and manager Ralph Bodensteiner.

Fine wine. Mike Linehan (l.) secretary for The Taylor Wine Company, Inc., discusses the company's packaging lines with manager Tom Hogan, Jr. (l.c.), while assistant secretary and controller Ed Manktelow shows senior John Mullineaux a bottle of Taylor's popular Lake Country White.

Most of the 50 professional, secretarial and clerical staff in the Rochester office are natives of the Genesee Valley. Recruitment is under the direction of partner Bob Marlette, with the assistance of managers Tom Hogan, Jr. and Jim Albano. Recruiting is primarily from upstate schools that are well represented on the staff: the University of Rochester, Rochester Institute of Technology (a client), St. John Fisher College, Clarkson College (a client), St. Bonaventure University, Syracuse and Cornell (a client) Universities (a joint recruiting effort with the New York office), Niagara University and Utica and Ithaca Colleges. Having attended school in the area, most of the new people are accustomed to the gray winters and to the spring and summer climate which favors the growing of apples and cherries.

Partner in charge Bob Nicholson grew up in the town of Avon, some 20 miles from Rochester. He graduated from the University of Rochester, where he

majoring in mathematics just in time for World War II. At that point he was leaning toward a career in the teaching profession. After a little over three years in the Navy, most of which was spent aboard a destroyer, he had decided against teaching and had begun to think that a career as a CPA sounded interesting, although he says, "I didn't know a stock from a bond." After the war, Bob studied accounting at the graduate school of the University of Rochester under the GI Bill of Rights. It was then that the Dean of the graduate school suggested that Bob join a local public accounting firm and recommended him to his friend Charlie Clapp. The rest is history.

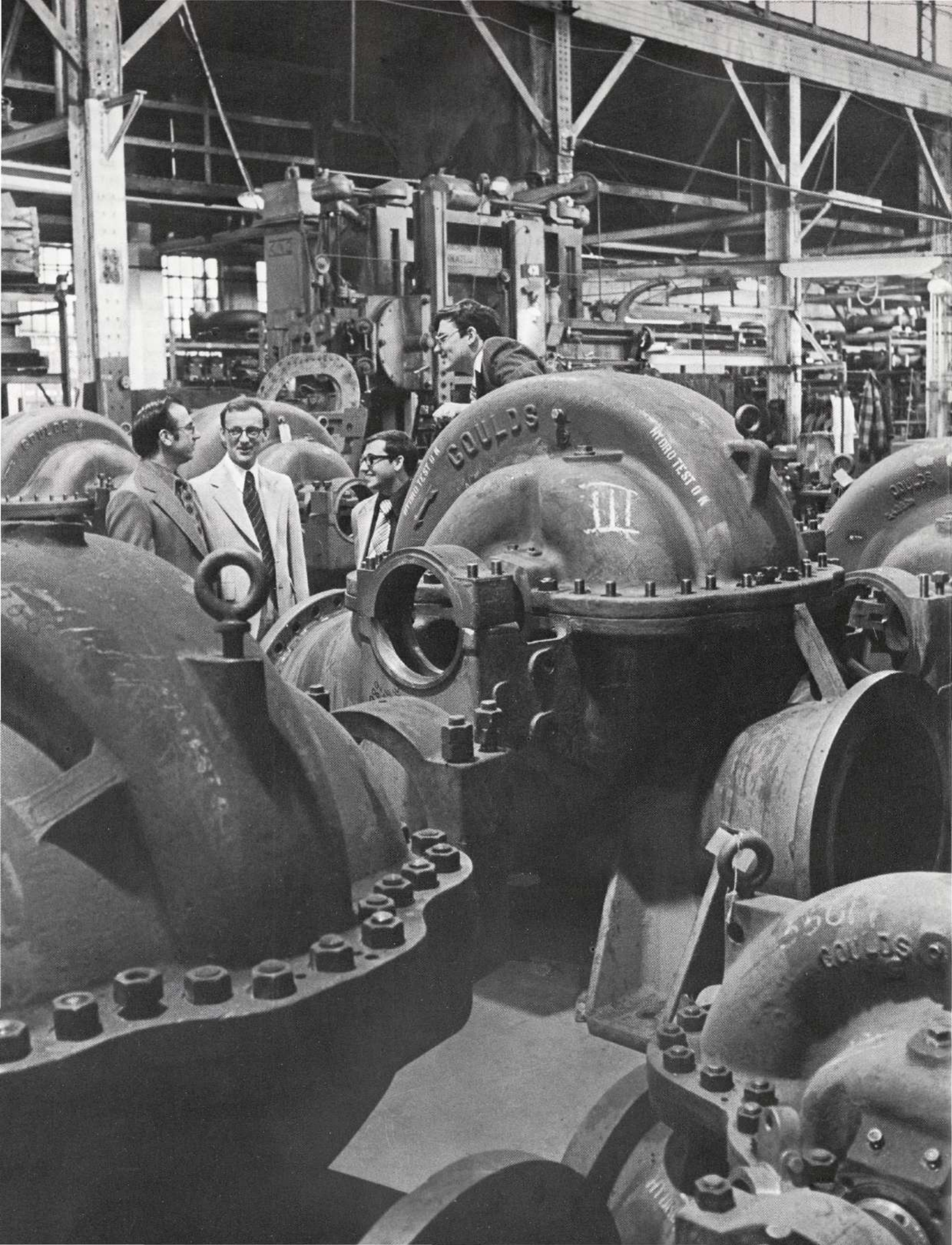
Over the 26 years that Bob Nicholson has been practicing public accounting in the Genesee Valley, he has been involved in many community and professional

activities. He is a past president of the Rochester Chapter of the New York State Society of CPAs and was recently president of the Estate Planning Council. He taught tax courses for 11 years at the University of Rochester and is now on the Accounting Advisory Board at both the Rochester Institute of Technology and Syracuse University. He is treasurer and a member of the Board of Directors of Highland Hospital and is a member of a five-man board of the Hospital Information Service Center, which directs a computer center serving major hospitals in the Rochester area. Bob has been involved in major capital fund drives for the University of Rochester and is now working on a capital fund campaign as a member of the 150th Anniversary Council of Rochester Institute of Technology.

When Bob Nicholson says "life is quite full," the statement comes through as a masterpiece of understatement considering his many interests and

Wine...





activities. In addition to raising two sons and two daughters (the youngest son, Steve, 14, is still at home), Bob and Gert Nicholson have found time for tent camping in the Virgin Islands and travel to Europe, the Scandinavian countries and Hawaii. They also enjoy tennis with friends on the tennis court Bob had installed next to his fruit orchard, or swimming in their pool. Bob, who has been athletically inclined all his life and once played professional baseball for a St. Louis Cardinals farm team, is steadily improving his golf game. He also plays squash with business associates two or three times a week at the Genesee Valley or University Clubs.

Bob is also a handy man to have around the home. When Bob and Gert had an addition built onto their house, he did all of the interior work himself, including custom building of cabinets and bookcases. In addition, he does his own plumbing and electrical work and most mechanical repairs on the two cars. It is no wonder that visitors in Rochester get the feeling that the office is well-organized and seems to operate like a well-tuned machine.

"I feel that we have a staff here that is one of the best," Bob says. "I take much pride in the fact that this office furnishes an environment for growth that I believe is second to none. Very tangible evidence of that fact is found in the ratio of people who have gone from this office to other areas of our practice and continue to progress at a rapid rate. Just to name a few, there are Al Gilman, who once headed the Buffalo office and is now in EO; Al White, the partner who now heads the Buffalo office; Jack Mullen, now partner in charge in Santiago; Bob Moore, a partner in Rio de Janeiro; Fred Falldine, the partner in the Oklahoma City Office; Bill Rowe, partner in the New York office; and a number of others in management positions throughout the Firm."

In addition to Bob Nicholson, the Rochester office has partners Dick Crilly and Bob Marlette, seven managers and thirty staff accountants, plus two para-professionals, two women in the Report Department, five secretaries and a receptionist.

About 95 percent of the Rochester office practice is originating work, and 5 percent participating work, mostly for the Rochester Products and Delco Products divisions of General Motors Corporation. The tax practice accounts for about 15 percent of total billing.

"Our Small Business Department is a very important part of our practice here," says Bob Nicholson. "Small business represents between 35 and 40 percent of our practice and it is growing all the time. The department is headed by first-year partner Bob Marlette. There are six people in the department now and we are planning to expand it. Small business, of course, does not refer to the size of the company but rather to the level of sophistication of a client's internal financial organization. When a client does not have someone filling the normal controller function, such as deriving and analyzing information that should lead to financial decision making, we provide advisory services as well as the usual audit and tax services.

"A number of our major engagements started out with minor tax or audit work for small companies that have since grown and prospered. One of these is Lawyers Cooperative Publishing

Pumps. Large pump casings await final assembly at the Seneca Falls plant of Goulds Pumps, Inc. Goulds' accounting manager Dick Laude (l.) and H&S alumnus Don Onimus (r.), internal auditor, discuss the booming pump business with staff accountant Bob Woodhouse (l.c.) and senior Steve Golden.

Studio. Rochester Institute of Technology senior Elaine Barnes (l.), her son Brian and H&S staff accountant Dave Wilcox (standing, l.) discuss equipment with an R.I.T. photography student, while senior Bob Updaw (standing, r.) and staff accountant Bill Corbin watch other students at work.



...Craftsmanship

...Innovation

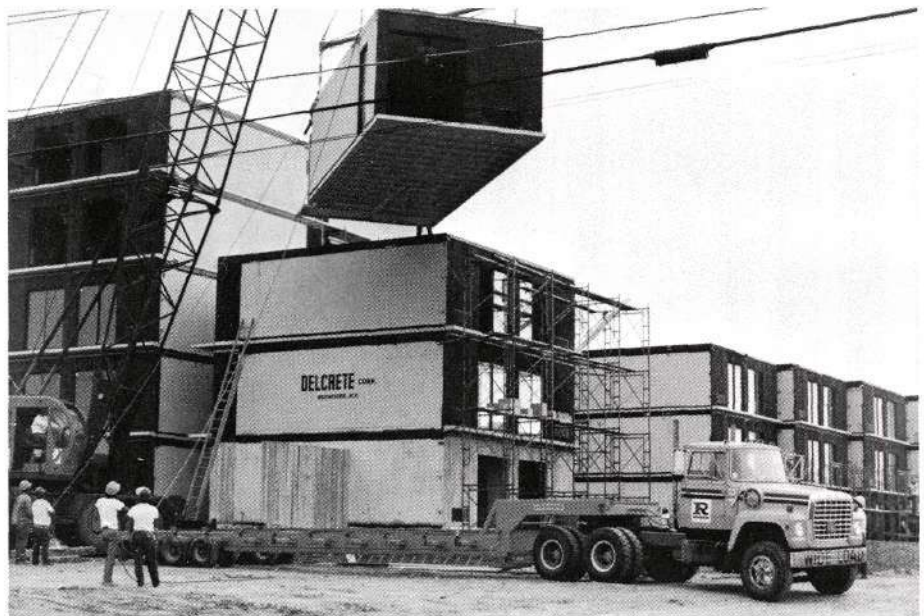
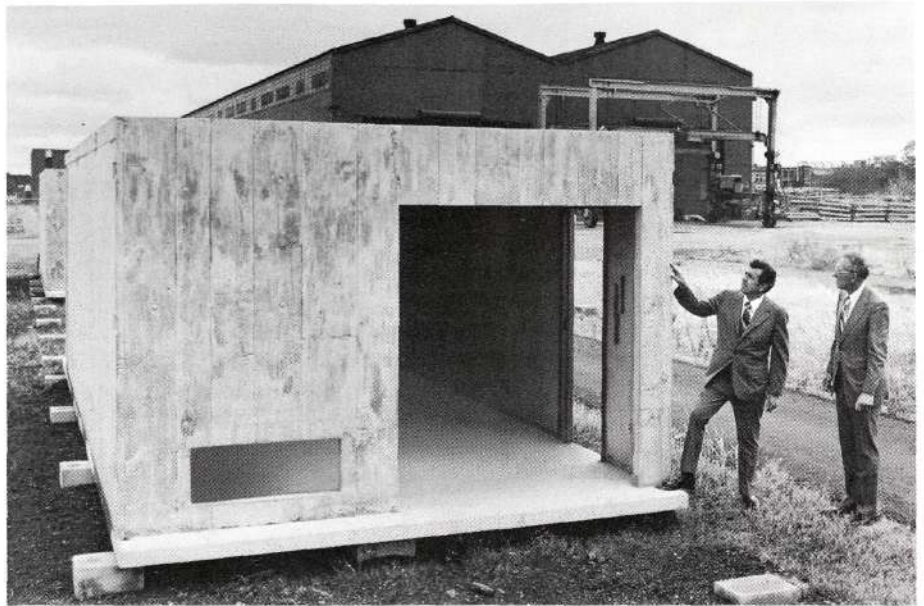
Company, a major publisher of law books. This engagement has grown from a small tax job back in 1948. Today Lawyers Cooperative writes, prints, binds and markets a total client-service library—a correlated research system covering all areas of the law. Some of the more than 150 titles offered are *American Jurisprudence*, *American Law Reports* and *United States Supreme Court Reports*. Lawyers Cooperative also owns Bancroft Whitney, a west coast publishing firm; Research Institute of America, Inc., specializing in the fields of taxation, economics and management development; and Auto Tax Service, which offers computer preparation of tax returns on a nationwide basis.

“Another such client is Champion Products Inc., one of the country’s largest producers of athletic uniforms for football, hockey, basketball, baseball, wrestling and track—and they are now getting into tennis wear and casual wear. Back in 1962 we were asked to do a simple audit of inventories. Up to that time, Champion had never had an audit. Now we render a wide range of accounting and tax services for the company, whose sales volume is up around \$60 million.

“A classic example of an engagement growing as the client grows is the E.J. Del Monte Corporation, an engagement we acquired back in 1953. Ernie Del Monte had started a small parts manufacturing shop in the cellar of his small suburban house. After three years, he literally built his own plant, laying the concrete blocks himself, for the assembly of aircraft and missile generators. He sold out that successful business, leased the building and became a general building contractor. He now owns over 20 major industrial buildings and a school with over 220,000 square feet of space.

“In 1971 he became interested in the construction of room modules and

Pre-cast palaces. Ernest J. Del Monte (l.) points out the barnwood finish on one of his concrete room modules for partner Bob Nicholson. Below, fully furnished modules are stacked and joined in pairs during the building of the beautiful new Rochester Marriott Inn.



traveled extensively to study all existing methods of building prefabricated room units. In 1971 Ernie reorganized his company to form Delcrete Corporation. He bought 60 acres of the former Penn Central work yards and a car shop in Rochester, then designed and patented precasting machines that can produce all six sides of a concrete room module. The modules are cast in matched pairs to allow for a single utility shaft between them. Wiring, plumbing, door frames and other components are all built into the 50,000-pound units, which can be stacked 20 high without supporting framework.

“Ernie Del Monte’s first project in modular construction was the 101-room Depot Motor Inn in Pittsford, an upper-income Rochester suburb. Ernie leases the building, which opened in the spring of 1973, to the Depot Restaurant Corporation. Before completing the Depot Inn, Ernie applied for a Marriott-franchised inn to be built of his modules at Exit 46 of the New York State Thruway. Marriott officials not only okayed the franchise, but ordered 175 rooms for an addition to the company-owned Bloomington (Minnesota) Marriott. After completing the motor inn’s public areas by conventional methods, Ernie’s construction crew completed the positioning of the 210 rooms in just 12 working days. The 175 rooms shipped to Bloomington by rail were erected in just five days. Ernie’s Rochester Marriott opened last July and occupancy since then has averaged over 80 percent. Now, with eight patents in hand, Ernie plans to license his modular building techniques to builders throughout the country.

“It has been work with Delcrete, Champion and Lawyers Cooperative and others that stresses the importance of a small business practice,” says Bob Nicholson. “Largely because of clients like these, the Rochester office has been able to grow. At the time of the merger in 1956, we had less than a third of the professional people we have now and our total business was less than an eighth of Firm business originating here now.”

Since the opening of the sub-office in Syracuse, travel by the Rochester staff is much more limited in mileage, with the longest trips to what is called the “southern tier” of New York State,

through the beautiful Finger Lakes region, only an hour-and-a-half drive from the office.

One of our most prominent clients in the area is the Taylor Wine Company, Inc., one of the largest producers of premium quality wines and champagnes in America. The company processes 15 to 16 thousand tons of grapes annually, the production from more than 4,500 acres of vineyards. The Pleasant Valley Wine Company, producer of Great Western champagnes and wines, operates as a separate division of the parent corporation from facilities less than 100 yards from Taylor’s Hammondsport headquarters.

Another famous client in the Finger Lakes area is Watkins Glen Grand Prix Corporation, which owns and operates the internationally famous Formula One road-racing course. U.S. Grand Prix time begins in early October when thousands upon thousands of road-racing fans descend on this village in campers, vans and station wagons to camp in the woods around the course and seek the best vantage points for a weekend of road racing and revelry. Partner Bob Marlette, manager Gene Brown and senior Bill Mayer made the scene last October, together with their wives, and enthusiastically recommend the setting and the excitement of the spectacle.

Another client that is truly indigenous to upstate New York is Sodus Fruit Farms in the Lake Ontario Fruit Belt, about 30 miles east of Rochester. In addition to some 300 thousand bushels of apples, 600-700 tons of sour cherries and 300 tons of sweet cherries harvested annually from its own 1,100 acres of orchards, Sodus Fruit Farms processes cherries and apples from other growers in the region. In all, some 12½ million pounds of apples and 4-6 million pounds of sour cherries are processed yearly for commercial use, mostly in pies and other pastries. Each season Sodus also packages about 100 thousand cartons of fresh marketing varieties of apples—mainly McIntosh, Red Delicious, Rome and Ida Red.

Other major clients of the Rochester office include: Garlock Inc.—one of the world’s leading suppliers of packings and seals and a major international marketer of expendable engineered components for

mechanical and fluid-power transmission applications. Garlock products include speed reducers, gears, piston rings, plastic-based bearings, butterfly valves, friction discs, rubber belts, rubber-covered rolls, hydraulic-pneumatic components and systems, flexible expansion joints, industrial coatings, noise-abating mufflers and a host of molded plastic and rubber components.

LeRoy Machine Co., Inc. and a subsidiary, York Merit—producing front wheel spindles, steering arms, twin I-beam axles for trucks, front and rear spring hanger brackets for large trucks and front wheel spindles for farm and industrial tractors.

Treck Photographic Inc.—established in 1968 to acquire a Kodak “spinoff,” Eastman Kodak Stores, Inc. Treck has 39 outlets (including the corporate offices in Rochester) from coast to coast, selling photographic equipment and supplies for the professional field as well as supplies for lithography and engraving, photo finishing and photo typesetting.

Hartman Metal Fabricators, Inc.— designs, manufactures and installs engineered storage systems in which materials are stored and retrieved automatically in racks up to 80 feet high and 500 feet long. The company has installed over 125 of its automatic warehousing systems over the past ten years.

Affiliates Alliance Tool & Die Corporation and Alliance Mold Co., Inc.— comprise one of the largest tool, die and machining shops in the country. The companies produce automotive general assembly

...and Fun

machines, carburetor testing equipment, power and free conveyor systems, die casting dies and plastic molds, Elox electrical discharge machines along with high-precision parts for aerospace and other industries, Fresnel lenses for optical projectors, aircraft landing systems, template and comparator charts. They recently became one of the first U.S. companies to obtain a turnkey project with the USSR to outfit a stainless steel and holloware table service production facility.

Goulds Pumps—manufactures pumps of all sizes used in pollution control,

petroleum, chemical, paper, and manufacturing industries. The company has grown from a manufacturer of wooden pumps in 1839 to an international giant in the liquids handling industry.

One of the most unusual clients of our Rochester office is George W. Long, owner and operator of Dreamland Park at Ontario Beach, near Rochester. George is a third-generation carousel owner and one of the few carousel horse carvers left in the country. In his shop beneath the three-tier, 42-horse Philadelphia Toboggan Company carousel at Dreamland Park, George carves out the rough shapes of the wooden horses on an old lathe, then finishes the detailing by hand carving and sanding.

This close. Mal Currie (l.) chairman of the board of the Watkins Glen Grand Prix Corporation, describes the action on the famed road-racing course for senior Bill Mayer (c.) and partner Bob Marlette.



Matching the diversity of the practice is the wide range of outside activities in which our people in Rochester are involved. One of the latest fads is western square dancing. Office secretary Jeanne Van Hook and her husband have been at it for years, while partner Dick Crilly, manager Ralph Bodensteiner, staff accountant Bill Corbin and their wives are in their first year of this strenuous, complex and enjoyable activity.

The office has its own baseball and bowling teams and holds an annual office golf tournament, with staff accountant Bill Mayer the acknowledged champion. Senior Carol Davies is a former New York State baton twirling champion and the winner of over a thousand trophies and

awards. She remains active as a teacher and competition judge and a contest director for the Great Lakes Twirling Festival. Staff accountants John Mullineaux, Mike Margolis and Bob Cook all have private pilot's licenses, and Bob is also a world-traveling mountain climber.

Certainly H&S Rochesterians are a versatile bunch, both professionally and privately, and it seems that the climate so suited to grapes and apples helps bring out the best in people as well. Soon it will be April again, and the sun will return to "Flower City." □

Campers. Partner Bob Marlette and wife Sarah prepare for a night in the pines with the help of daughter Laurie and sons John, Jeff and Tom.

