

FILE NAME: Ferro Engineering (FER)

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MINUTES OF MEETING OF OGLEBAY NORTON AND
FERRO ENGINEERING DIVISION PERSONNEL
JANUARY 16, 1969

In attendance: G. A. Peterson W. S. Whittle
E. W. Sloan J. C. Carpenter
C. D. Smith W. M. Gharman
J. H. Given W. H. Harron
L. M. Bell R. C. Trays
E. W. Ferris B. F. Anthony
F. J. Rossi J. J. Dwyer
G. W. Elliott F. R. White

G.A.P. opened the meeting stating that Ferro sales for 1968 reached an all time high of approximately \$18,400,000, however, the profit factor was very discouraging. His views for 1969 were optimistic and expressed the hope that many of the problems which plagued Ferro in 1968 will be resolved in the New Year.

W.E.H. in reporting on operations stated that the production levels at Plant #1 and #2 were maintained in December and there were significant increases in some areas, particularly in the Wrap-Up Litters. The Ross Oven is running at partial capacity and we are experiencing the usual start-up problems. Production should increase materially within the next three to four weeks. The Ferroboard Ring production is still not encouraging, however, we are awaiting accessories for the machines which should increase our output. The level of operations at Plant #3 is consistent. The construction has been delayed approximately thirty days due to weather conditions. Plant #4 is producing eight hours daily and is building inventories. The Ross Oven requires a full check out and should be in operation soon.

L.M.B. reviewed November business and estimated December business, by actual sales and by forecast for each plant and by each product line.

C.D.S. gave a full explanation of unusual costs and charges, particularly in the Ferroboard product line.

R.G.T. stated that there was no appreciable change in inventory or warehouse practice since last reporting, and that there was no significant improvement in plant overhead charges in November and that the December figures were not available. He discussed in detail the need for considering price increases on sand rings and the fact that we are awaiting more accurate cost figures before any decision can be made.

F.J.R. reviewed the reporting system as it relates to the standard cost system and stated that the entire Plant #1 and #2 was on the daily performance reporting and Plant #3 would be ready by February 1. He mentioned the diversified training sessions and movies which foremen and supervisory personnel attend every other week and felt there was a very significant trend of improvement. He also touched on the methods improvement program stating that at the moment there were ten projects with a potential \$58,000 savings at a cost of \$2,500.

J.H.G. mentioned that the new coding had been installed with a minimum of problems. There had been several frustrating delays as the result of illness on the part of key personnel. He mentioned the meeting scheduled with the Accounting people to more thoroughly familiarize them with the systems and stressed that there was a steadily increasing amount of machine regulation.

W.S.W. gave a very detailed report on the continued labor problems and the increased December absenteeism which may be related, in part, to illness. He suggested very emphatically that we start now to review our labor contract and spend an amount of time each week in preparation for the reopening of the contract in August. A general discussion followed and a very strong emphasis was placed on the importance of Whittle's suggestion.

B.W.E. indicated that he felt the business level for 1969 would be essentially the same as 1968 and gave his forecast of units by product line for January 1969. He stressed that flat Ferroboard and XOP Hot Tops were items that provided a high profit margin and that additional effort would be concentrated on these lines.

B.F.A. advised that Engineering is receiving more feed back from customers on new designs and indicated that there was an interest in the part of the customers in the possible mechanization of the Quickline Hot Tops, and that we had received inquiries and requests for additional handling means.

J.C.C. again discussed the problems related to exothermic topping and gave information regarding our possibilities of acquiring the output of Alcan in Oswego. Further investigation is necessary as we have not heard back from the intermediary in this project. He also reported that some progress was being made but a lot of additional investigation was necessary with respect to the possible new type backing for Ferroboard liners. There was quite a discussion on the use of asbestos and the problems related to asbestos and respiratory ailments. There was a discussion involving the recent visit to Bellanca Research by J.C.C. and G.W.F.

W.M.G. gave his report on capital budget indicating that Ferroboard Line #1 at Plant #1 was approximately 98% complete and would be fully completed by March 1. The Ferroboard Line #2 at Plant #1 is about 85% complete as of January 1 and new machines had not been ordered at that date but that total completion was expected by June 1. The Ferroboard Line #3 at Plant #3 in Chicago has been delayed due to construction problems and weather conditions and is now scheduled for completion in about July. Canadian Ferro Hot Tops Ltd. Step I regarding the side board productivity is approximately 90% complete, and Step II concerning the Ferroboard Liners is about 60% and should be completed by February. Step III for Ferroboard Rings is due for completion sometime in June. The sand bulk handling equipment for Lines 1 and 2 is about 80% complete with final completion by February '69.

G.A.P. adjourned the meeting.

1/22/69
RGT
GWW