Omaha: an office profile

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In 1867, the year that Nebraska was admitted to the Union, the state legislature designed a state seal depicting a blacksmith, fields of grain, a steamboat and a train. More than a century later these representations of industry, agriculture and transportation are still appropriate symbols for the state and for its largest city, Omaha, which is located in eastern Nebraska on the west bank of the Missouri River.

Eastern Nebraska can trace its agricultural heritage back to the eighteenth century when tribes of Plains Indians — the Otoe, Omaha, Ponca and Pawnee — settled in villages and cultivated crops along the Platte and Missouri Rivers. In the 1840s Mormons in search of religious freedom and prospectors in search of gold traveled the trails near Omaha in their westward journeys to Utah and California. The Missouri River was fast becoming an important shipping artery.

The Kansas-Nebraska Act opened lands west of the Missouri, previously reserved for Indians, to settlement in 1854. Pioneers were further encouraged to establish their homes in eastern Nebraska by the passage of the Homestead Act in 1863, which allowed them to claim 160 acres of free land in the territory. In 1865, the Union Pacific Railroad began construction that would eventually link the Atlantic to the Pacific by rail. Omaha was the jumping-off place for the railroad, which stretched across...
Nebraska by 1867 and was completed when the Union Pacific track met that of the Central Pacific at Promontory Point in Utah in 1869.

After the completion of the rail system, Omaha, located almost midway between New York and San Francisco, quickly became a major trade and transportation center for the nation. The population of Omaha was 30,000 in 1875; by the turn of the century it had passed the 100,000 mark. Today there are more than 375,000 people living within the city limits, and the metropolitan area that includes Douglas and Sarpy Counties in Nebraska and Pottawattamie County in Iowa has a population in excess of half a million.

In downtown Omaha, you can wander into old-fashioned boutiques, art galleries and French cafes. These are located in the Old Market section, where fruit vendors once lined the streets to peddle their produce. The area has been renovated by local merchants as part of a movement to revitalize the center city. It is a colorful, friendly part of town where the visitor is free to browse in antique shops or stop by a local pub for a drink and some good conversation.

A short walk away from the quaint atmosphere of the Old Market stands the Woodmen Tower, a modern skyscraper where Haskins & Sells has its office. From the top of the tower, the visitor can get a panoramic view of the area that speaks of Omaha’s past, present and future, from the bustling
freight yards of the Union Pacific through which a hundred trains pass each day to the vast expanses of farmland that have helped feed a nation for more than a century.

Will Harris took over as partner in charge of the Omaha office in 1975 in connection with the retirement of Joe Sullivan, who had succeeded Jake Imig as PIC in 1970. Jake had headed the office since the Firm set up practice in Omaha in 1956 through a merger with the local accounting firm of Irwin-Imig, Inc. of which he was a founder. Will, a native of Wilmington, Illinois, began his career with H&S in the Chicago office in 1950 after receiving a bachelor of science degree from the University of Illinois. While with the Chicago office, Will was elected mayor of his town of Palatine, a Chicago suburb. He served in that position from 1961 until 1965, when a move to the H&S New Haven office cut short his second term in office. In 1966 Will was admitted to the Firm, and the following year he moved to Buenos Aires to assist in the technical coordination of the Firm's South American practice. He was named partner in charge of the Rio de Janeiro office in 1969, where he remained for three years until his return to the United States to head the Milwaukee office.

"As far as I'm concerned," Will says, "Nebraska certainly lives up to the state motto — 'the good life.' Omaha has just about everything you could want — good schools, clean air, efficient transportation, numerous cultural activities — and the people couldn't be friendlier. The office itself is fast moving, and there are many fine and growing businesses in the area that present excellent opportunities for practice development."

With the exception of tax partners Clay Chandler, a Californian, and Ernie Kenyon, who was born in England, the partners in the Omaha office hail from the Midwest. Dick Hoievam, born in Davenport, Iowa, joined the Omaha office in 1961 after graduating from Grinnell College and became a partner in 1976. Mike Naughton left
his hometown of Sioux Falls, South Dakota to attend Creighton University in Omaha. After graduating in 1960, he joined H&S and was admitted to the Firm in 1972.

Larry Chandler was on the staff of Irwin-Imig when it merged with Haskins & Sells. He became an H&S partner in 1964. A native of Locust Grove, Iowa, and a graduate of Creighton University, Larry served successive terms as treasurer, secretary, vice president and president of the Nebraska CPA Society from 1959 through 1962.

Tax partner Ernie Kenyon was born in Ilkeston, Derbyshire, England and came to the United States as a boy when his family settled in Fall River, Massachusetts. He joined Irwin-Imig in 1946 after completing his studies at Iowa State University. He was admitted to the Firm in 1969, and is a past president of the Nebraska CPA Society. Ernie served as president of the Omaha Estate Planning Council for 1976-77, and, according to Will Harris, he is “a much sought after and well-respected speaker on tax matters throughout the Midwest.”

The Omaha tax department is headed by Clay Chandler, a native of Fresno, California and graduate of Stanford University. Clay was on the San Francisco staff of the accounting firm of McLaren, Goode, West & Co. when it merged with H&S in 1952. He moved to the Washington office in 1968 and was admitted to the Firm the following year. Clay, who’s been in
Omaha since 1973, finds directing the tax department of the office to be a challenging and interesting undertaking. "The tax practice," he says, "is unusually large in terms of the number of returns filed, considering the size of the office. This year we filed over 700 individual returns and more than 500 corporate returns."

"Although we have no formal small business services department as such yet," Will Harris points out, "small business clients make up a very important part of our practice. There are also many opportunities in the MAS field because of the steady and significant demand for this type of service in our practice area."

Recruiting efforts are spearheaded by manager George Kerkhove, who spent three years as part of the Executive Office research and SEC departments. The office draws most of its recruits from the University of Nebraska at Omaha, Creighton University, the University of Nebraska at Lincoln and Midland Lutheran College in Fremont, Nebraska. George also directs the office's continuing education program and, with assistance from partners, managers and senior accountants, helps prepare staff accountants for the CPA exam. One person who found the program very helpful is staff accountant Bob Howard, a graduate of the University of Wisconsin at Eau Claire, who was the Nebraska gold medal winner for the November 1976 CPA exam and received a certificate of honorable mention from the AICPA.

The word that best describes the Omaha office and the practice area it covers is diversity. There is diversity both in the types of clients and in the services offered. "Our office is unusual," Will Harris explains, "in that the volume of tax services we provide makes it necessary for our audit as well as our tax staff to gain a high degree of expertise in tax matters. This demand for knowledge in a variety of areas gives our accountants opportunities to explore aspects of accounting that they might not otherwise have been involved in. This need for flexibility applies to our office people as well as our professional staff. Although people
have their individual responsibilities and positions, we are all willing to pitch in and help out whenever we are needed."

Few areas of the country could provide the wide diversity of clients that Omaha has. Larry Chandler, who is active in the Mid-America Council of Boy Scouts and Kiwanis International, points out that while "Omaha has retained its position as an important food processing and producing center; new types of industry and business are continually moving into the region. And our client list reflects the changes that are taking place."

Many Omaha clients are associated with Nebraska's oldest economic base, food processing and producing. Spencer Foods, Inc., located in Spencer, Iowa, is a meatpacking plant with the largest kosher slaughter operation in the world. Metz Baking Company in Sioux City, Iowa runs eleven bakeries that provide bread for Midwestern consumers. The Farmers National Company manages over 3,000 farms that stretch from Illinois to Colorado and is the largest professional farm management company in the United States. Farmers National vice president Hugh Tinley was instrumental in setting up the ham radio operation in Vietnam that enabled servicemen to communicate with relatives back home. Once the system was set up, it was paid for by FNC clients.

Other clients are examples of more recent growth areas in the Nebraska economy. Lincoln Carpet Mills, Inc. is
a carpet manufacturer that began production in Lincoln in 1970. Its carpets have foam backing which makes it easier for consumers to do their own installation. Duncan Aviation, Inc., also based in Lincoln, leases, sells and services executive jets. Chairman of the board Donald Duncan started out as a used-farm-machinery salesman and, with the aid of his son Bob, president of the company, and vice president Harry Barr, developed a major aviation operation. Another successful father-and-son team is Charles and John Smith of the C.G. Smith Company, Nebraska's largest homebuilder. Last year the company built over four hundred homes, and this year the total is expected to exceed five hundred.

One reason Omaha is able to attract new industry is the low utility rates. The Omaha Public Power District, a client, provides electricity to the area at rates that are 20 percent below the national average. Natural gas is supplied by the Metropolitan Utilities District, another client, at rates 25 percent lower than the national average.

As Nebraska attracts new businesses, the Omaha office continues to expand. They've had to take additional space in the Woodmen Tower five times since they moved into that building in 1970. Will Harris is proud of the good working relationship H&S has with its clients. "Client officials," he explains, "have a great deal of respect for our partners, and they don't hesitate to call on us for advice on important business matters. I'm also grateful to my predecessors Jake Imig and Joe Sullivan for all the help they've given us since their retirement in maintaining contact with several of our older clients."

The professional staff in Omaha numbers about forty-five. "The office," Will says, "has enough people to provide staff accountants with valuable learning experiences. However, it's small enough so that people can really get to know each other." People in the office have many opportunities to see each other at social and sports events. The H&S basketball team
won the Downtown YMCA tournament last year, and the office fields a team in the Industrial Softball League. In early autumn, everyone gets together for a dinner dance.

Culturally, Omaha has much to offer. It has a symphony orchestra and the Omaha Playhouse, which gave a start to such well-known acting talents as Henry Fonda, Inga Swenson and Dorothy McGuire. The Joslyn Art Museum, a client, exhibits paintings and sculptures dating from ancient times to the present. The Union Pacific Railroad Company, a subsidiary of the Union Pacific Corporation, which is a New York client, is headquarted in Omaha. The railroad museum in the headquarters building contains replicas of Abraham Lincoln's funeral car and the golden spike that joined the Union Pacific to the Central Pacific in 1869, as well as many Indian and pioneer artifacts. Those interested in more rapid means of transportation can visit the Aerospace Museum operated by the Strategic Air Command, which is based in Omaha.

Institutions of higher learning in the area include Bellevue College and Midland Lutheran College, both of which are clients, the University of Nebraska at Omaha and at Lincoln, Creighton University, the College of St. Mary, Grace Bible Institute and the University of Nebraska Medical Center.

Left photo: Exploring the Metropolitan Utilities District's liquid natural gas plant are (l. to r.) MUD chief accounting officer Dean Watkins, H&S manager Jim Geary, MUD general manager Bob Bell and H&S partner Dick Holevoet. The liquefaction process reduces the volume of natural gas from 600 cubic feet to one cubic foot so that it requires less storage space.

Right photo: Discussing the extensive use of computers at Commercial Federal Savings and Loan Association are (l. to r.) CFS senior vice president Don Schmitz, H&S PIC Will Harris, CFS chairman William E. Fitzgerald, vice president and controller Bob Clelland (seated), and H&S managers John Otten and Jim Scheuer. The computer's master log is an important part of Commercial Federal's internal control.
Center. Omaha is also the home of Boys Town. Founded by Father Flanagan, the facility provides a home and educational opportunities for 500 boys between the ages of ten and eighteen.

For people who enjoy the outdoors, there is no shortage of public parks, tennis courts or golf courses in Omaha. For baseball fans, the city hosts the NCAA College World Series each June. And in Omaha, if you lose money at the racetrack, it goes to a worthy cause. AK-SAR-BEN, a 63,000-member organization, sponsors pari-mutuel racing each year in order to raise money for charity. Each year AK-SAR-BEN (Nebraska spelled backward) selects a king and queen representing outstanding business and community leaders. This year’s king is William F. Fitzgerald, chairman of Commercial Federal Savings and Loan Association, a client. The coronation of the king and queen of AK-SAR-BEN is the social highlight of the year in Omaha.

Omaha is a city on the move that hasn’t lost sight of its past. Projects like the renovation of the Old Market area have led to the revitalization of the downtown area. The Riverfront Development Committee, formed in 1970, has been making plans to develop the area from Blair to where the Platte River, Nebraska’s main river, empties into the Missouri a few miles south of Omaha. The committee hopes to bring new life to the region by means that include building a scenic parkway along the riverbank, encouraging homebuilding, establishing recreational facilities, and promoting commercial and industrial development.

In 1957 the National Municipal League and Look magazine gave Omaha an All-American City award after it adopted a new, forward-looking city charter. Twenty years later Omaha’s future looks brighter than ever.