



# 2003 Annual Report



**Walter Rubel**  
**PFMA Chairman**  
**Acme Markets, Inc./Albertsons**

*"The mission of the Pennsylvania Food Merchants Association is to improve the public image effectiveness and profitability of companies in the retail and wholesale food distribution industry."*

## Are You Profiting by Association?

**Y**ou profit by association" is the message constantly relayed to Pennsylvania Food Merchants Association members, but I wonder how many of you are taking advantage of all the programs offered by the association. As we offer a review of the association's activities for 2003, it is a good opportunity for you to re-evaluate the services offered to you.

First, are you aware that PFMA staff members are at the state capitol in Harrisburg daily? PFMA's Government Relations team constantly monitors legislative activity and ensures that members' voices are heard. They also represent the membership at regulatory meetings and track new rules and regulations that could impact your daily operations.

For example, in Philadelphia, Representative Frank Oliver (D-Philadelphia) had suggested that urban supermarkets should be state-run, similarly to the liquor stores. PFMA disagreed with his recommendation and worked with the Philadelphia Food Trust to address concerns about the lack of supermarkets in urban areas. I co-chaired the Philadelphia Food Marketing Task Force which drafted a report recommending funding to help finance supermarkets in urban areas. As a result of that recommendation, Governor Ed Rendell signed Senate Bill 1026, establishing the Commonwealth Financing Authority and enabling supermarkets to apply for funding under the "First Industries Program." The new authority expects to issue \$250 million in its first year.

PFMA also offers services to help retailers comply with state regulations. Now in its 4th year, the Responsible Tobacco Sales Certification Program (RTSCP) is assisting retailers to make sure that they are in compliance with tobacco sale laws. RTSCP's goal is to reduce tobacco use by minors by preventing the sale of tobacco products to anyone under 18 years of age. The program also helps to assure consumers and government officials of participating retailers' commitment to enforcing tobacco sale regulations.

The Scanning Certification Program, a voluntary price accuracy program, helps retailers provide price accuracy and appropriate pricing information to consumers. Through unannounced in-store

inspections, retailers can gauge their price accuracy and compliance to program standards. Certified stores fulfill Pennsylvania requirements for the annual inspection of checkout scanning systems.

At my request, PFMA formed the Pennsylvania Pharmacy Council in October, 2002. The council was very active during the past year and helped bring attention to retail pharmacy issues on Capitol Hill.

Merchants Express Money Order Company (MEMO), a wholly-owned business subsidiary of PFMA, offers a variety of money services products and markets to retailers in 32 states. Its products include money orders, gift certificates and "Pre-Paid by MEMO" cellular and long distance calling cards.

Pennsylvania Coupon Redemption Services (PCRS) is the largest retail coupon clearinghouse owned and operated by a retail association. Retailers in Pennsylvania and surrounding states entrust their coupon processing needs to PCRS.

In addition to receiving quality products and service, PFMA members who utilize the association's business services benefit since revenue generated from these subsidiaries pays for additional member services.

PFMA's publications, *the Food Industry Advisor*, a monthly newspaper, and the *Hotline*, a monthly newsletter, keep members informed on association events, legislative activity, member news, industry trends and new products.

These services are all highlighted in the pages that follow. Take some time to review the services that you are not using. PFMA staff is available to answer your questions.

Consider becoming involved in one of the association's committees. PFMA's board of directors and legislative committees help shape the association's yearly agenda. Other committees such as food protection, EBT, loss prevention and WIC specialize in particular topics of concern. Your input is invaluable to the staff.

Finally, thank you to the PFMA members who volunteer their time to serve on the board of directors and committees.

*Walter Rubel*

## Table of Contents

PFMA/PCSC Chairmen . . . . .	pages 2-3
PFMA President's Message . . . . .	page 3
<b>Association Services Division</b>	
Membership Programs . . . . .	page 4
Communications . . . . .	page 4
Responsible Tobacco Sales Certification Program . . . . .	pages 5
Scanning Certification Program . . . . .	page 4-5
Government Relations . . . . .	pages 6-9
Pennsylvania Pharmacy Council . . . . .	page 10
Delaware Food Industry Council . . . . .	page 10
FoodPAC of Pennsylvania . . . . .	page 11
<b>Merchants Express Money Order Co.</b> . . . . .	page 12
<b>Sales, Marketing &amp; Facilities</b> . . . . .	page 13
<b>Pennsylvania Coupon Redemption Services</b> . . . . .	page 14
<b>Information Technology</b> . . . . .	page 14
<b>Finance</b> . . . . .	page 15
<b>Endorsed Programs</b> . . . . .	page 15
<b>PFMA Contacts</b> . . . . .	page 16

### Chairman

**Walter Rubel**  
Acme Markets, Inc.  
Malvern, PA

### Vice Chairman

**J. Christopher Michael**  
Associated Wholesalers, Inc.  
Robesonia, PA

### Treasurer

**Scott Hartman**  
Rutter's Farm Stores  
York, PA

### Secretary

**Dan McNabb**  
Baldwin Whitehall Foods  
Pittsburgh, PA

### Directors

**Vincent Anderson**  
Wawa, Inc.  
Wawa, PA

**Carole Bitter**  
Friedman's, Inc.  
Butler, PA

**William Bracey**  
Bill's ShurSave Markets  
Moscow, PA

### Jack Clemens

Clemens Family Markets  
Kulpsville, PA

### Joseph Della Noce

SUPERVALU, Inc.  
Mechanicsville, VA

### Ron Fish

Patriot Sales & Marketing  
Valley Forge, PA

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Guttman Group  
Belle Vernon, PA

### David Hollinger

Four Seasons Produce  
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Mechanicsburg, PA

### Chere Kelley

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Carlisle, PA

### Richard Russell

Giant Eagle, Inc.  
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### Rich Savner

Pathmark Stores, Inc.  
Carteret, NJ

### Art Smaltz

Edinboro Giant Eagle  
Edinboro, PA

### Art Van Slyke

Van Slyke's Food Mart  
McKean, PA

### Jonathan Weis

Weis Markets, Inc.  
Sunbury, PA

### Board Advisors

**Craig Hoffman**  
Wegmans  
Dickinson City, PA

### Rich McMenamin

ShopRite  
Philadelphia, PA

### Dean Walker

Boyer's Food Markets  
Orwigsburg, PA



**Board of Directors**



## Chairman's Message

# PCSC Provides a Unique Voice to the Association

I am honored to be the Chairman of the Convenience Store Council.

Our C-Store Council, a division of the Pennsylvania Food Merchants Association (PFMA), is indeed unique because it combines the voices of both our convenience store companies with that of the supermarket industry — lending weight, support and clarity to the message the association is so frequently called upon to give on state government. It allows us to present a united front when dealing with legislation that could either benefit or adversely affect the interests of our food retailers. We can join together and learn from each other as we seek to develop laws that advance our mutual best interests.

Pennsylvania Food Merchants Association and the Convenience Store Council have strived for years to provide an exchange of information and solutions useful to all of us in the food business. Influencing governmental action is key to our agenda. The association provides the means whereby we can join together to participate in a direct and meaningful way in affecting the course of governmental action.

This year, the Council, through its relationship with PFMA, identified and evaluated various issues that are critical to the oper-

ating of our businesses. We met with business groups and surveyed the memberships to determine how to address Governor Rendell's proposal to increase taxes in the Commonwealth by approximately \$4 billion. Through sound relationships with the executive and legislative offices, powered by sound business positions, the proposal was finally backed down to \$1 billion in new taxes, which could have been significantly larger had it not been for the active participation of the association. In addition, PFMA continued to support the National Association of Convenience Stores with its efforts to pass the Federal HR2824, the Internet Tobacco Sales Enforcement Act, that seeks to close the sales loopholes and place identical tax and age verification burdens on all cigarette retailers.

The association continues to encourage the industry to continue improvements in the selling of tobacco in our stores through the Responsible Tobacco Sales Certification Program — the Association's voluntary program aimed at preventing tobacco sales to minors.

By actively participating in your Association, you can visibly benefit all food merchants by informing government and allowing our clear voice to be heard amid the welter of contesting ideas.

*Vincent P. Anderson*



**Vincent Anderson**  
PCSC Chairman  
Wawa, Inc.

## A Message from the President



**David McCorkle**  
PFMA/PCSC President & CEO

For many loyal readers of the *Food Industry Advisor* the review of the association's annual report as part of the May edition will be a new experience. Since the initial printing of the annual report 10 years ago, the document has been distributed to association members. By including the annual report in the *Advisor* we significantly expand readership from our 1,600 members to nearly 10,000 *Advisor* subscribers. I hope that the goals and objectives of the Pennsylvania Food Merchants Association, the Pennsylvania Convenience Store Council, the Delaware Food Industry Council, the Pennsylvania Pharmacy Council, wholly owned business subsidiaries and independent non-profit corporations supported by the food industry, including the Responsible Tobacco Sale Certification Program and the Scanning Certification Program, are viewed as a comprehensive program developed to support the food industry in Pennsylvania and surrounding states. PFMA has endorsed the Gleason Group of Companies to the membership for quality insurance, benefit and financial planning services. We encourage you to contact The Gleason Agency whenever you need a creative solution to a business challenge.

As you learn about association services that you can use, I hope you will be motivated to become involved in creating new projects that will help you to compete in the marketplace. Take your place among the industry/association leaders listed on this page who deserve our appreciation for their tireless effort on behalf of the membership.

On behalf of all association members, I thank the following industry leaders for their support and guidance in 2003!

### **PFMA Board Chairman**

**Walter Rubel**, Director,  
Government/Community Relations, Acme/Albertsons, Inc.

### **PCSC Board Chairman**

**Vince Anderson**  
Sr. Vice President and General Counsel, Wawa, Inc.

### **DFIC Board Chairman**

**Rich Kenny**, Owner, Kenny Family Shoprites

### **FoodPAC Board of Trustees Co-Chairmen**

**Tim Reardon**, V.P. of Risk Management, Giant Stores, LLC  
**Dan Pastor**, Chief Operating Officer, Get-Go, Inc.

### **Legislative Committee Co-Chairmen**

**Rich Savner**                      **Mike Cortez**  
Pathmark, Inc.                      Vice President, Sheetz, Inc.

### **Responsible Tobacco Sales Certification Program Chairman**

**Scott Hartman**, President, Rutters Farm Stores, Inc.

### **Pennsylvania Pharmacy Council Interim Chairman**

**Mike Hamilton**, Acme/Albertsons, Inc.

### **Loss Prevention Committee Chairwoman**

**Nancy Jones**, Director of Loss Prevention,  
Giant Food Stores, LLC

### **PFMA Strategic Planning Committee Chairman & PFMA Secretary**

**Dan McNabb**, Owner, Baldwin WhiteHall Foods

### **PFMA Board Vice Chairman**

**Chris Michael**, President & CEO, AWI

Those listed above, directors and committee members listed in other sections of the annual report and the dedicated staff members featured in this special *Advisor* section provide the expertise required to manage the government relations program and businesses described herein. Thank you to all for a job well done in 2003.

When you have a problem that requires consultation, please call PFMA and we will try to help!

### **Chairman**

**Vincent Anderson**  
Wawa, Inc.  
Wawa, PA

### **Executive Committee**

**Samuel Anderson**  
Pump n Pantry Stores  
Montrose, PA

### **Robyn Ashbridge-McAneny**

Ashbridge Oil Company  
Johnstown, PA

### **Tom Dempsey**

Utz Quality Foods, Ltd.  
Hanover, PA

### **Richard Guttman**

Guttman Group  
Belle Vernon, PA

### **Scott Hartman**

Rutter's Farm Stores  
York, PA

### **Bret Hoffmaster**

ShIPLEY Stores, Inc.  
York, PA

### **Richard Levin**

Turkey Hill Minit Markets  
Lancaster, PA

### **Dan Pastor**

GetGo from Giant Eagle  
Belle Vernon, PA

### **Henry Sahakian**

Uni-Marts, Inc.  
State College, PA

### **Louie Sheetz**

Sheetz, Inc.  
Altoona, PA

### **Joseph Tripi**

Tripifoods, Inc.  
Buffalo, NY

**Executive Committee**

# PFMA Honors Retailer Volunteers



**Randy St. John**  
Senior Vice President,  
Association Services

**A**s part of PFMA's 50th Anniversary celebration at the Hershey Hotel on May 14-15, 2003, PFMA honored 26 of its members who received PFMA's first Keystone Awards.

The first group of honorees received Keystone Awards for FoodPAC service. FoodPAC is PFMA's political action committee and the honorees were those who have actively participated in the fund-raising for FoodPAC. The 13 Keystone Awardees for FoodPAC service were Walter Rubel, Acme Markets; Joe Heisler, Foodland; David Genuardi, Genuardi Family Foundation; Scott Blatt, Redner's Markets, Inc.; Harry Kearney, Fleming Companies, Inc.; Tom Volovich, Braun Baking; Erik White, Redner's Markets, Inc.; Jim V. Genuardi, Genuardi Family Foundation; Roy Kipp, Clemens Family Markets; Charles Yahn, Associated Wholesalers, Inc.; George Arthur, Northwestern Pennsylvania Food Council; Don Brick, Foodland; and V. Jim Genuardi, Genuardi Family Foundation.

The second set of awardees at the 2003 birthday celebration were those who have worked to create legislative or regulatory changes that enhance the business climate in Pennsylvania. The Good Government awardees were Walter Rubel, Acme Markets, Inc.; Christy Spoa, Ellwood City Save-A-Lot; Stewart Hartman, Rutter's Farm Stores; J. Christopher Michael, Associated Wholesalers, Inc.; Jack Clemens, Clemens Family Markets; Rich Savner, Pathmark Stores, Inc.; Vince Gastgeb, Sara Lee Foods; Rick Russell, Giant Eagle, Inc.; Scott Hartman, Rutter's Farm Stores; Dan Pastor, Crossroads Convenience, LLC; Earl Redner, Redner's Markets; Tim Reardon, Giant Food Stores, LLC; and Vince Anderson, Wawa, Inc.

The annual conference also included another first — PFMA's first loss prevention seminar. The loss prevention seminar was created by PFMA's Loss Prevention Committee headed by Nancy Jones of Giant Food Stores, LLC.

The loss prevention event kicked off with a seminar conducted by John Dale Hartman, a law enforcement official and Penn State University consultant, and was followed by a trade show and a dinner featuring state police major, Frank Pawlowski, Director of the Bureau of Criminal Investigation.

### New Government Relations Groups

PFMA's new legislative arrivals, the Delaware Food Industry Council and the Pennsylvania Pharmacy Council had an active year in 2003. The Delaware Food Industry Council held a golf tournament, a Winterfest fund-raiser, and a Day in Dover where its members met with legislative leaders and Governor Minner. The newly incorporated group works under the direction of Melanie Horvath and is staffed in Delaware by Executive Director Mark Kleinschmidt.

The Pennsylvania Pharmacy Council gained strength in 2003 and has worked on a number of legislative issues which would potentially affect the business operations of pharmacy operators. Melanie Horvath, PPC executive director, worked with members to present testimony on numerous occasions at the Capitol on pharmacy issues in 2003 and will continue to do so in 2004.

### Ridge Returns to Pennsylvania

Under tight security, former Governor Tom Ridge returned to Pennsylvania on October 23 at the Valley Forge Hotel and Convention Center in King of Prussia, Pennsylvania for yet another Ridge Scholarship Dinner. Acme Markets, Inc. was the event sponsor for the dinner which raised money for the Ridge Scholarship Fund. PFMA extends its thanks to Acme's Walt Rubel for making the evening a success.

Governor Ridge met with nine of the 46 Ridge scholars. In his dinner address, Ridge said, "Education is the ultimate tool of personal empowerment; in order to have your dreams come true you have to be empowered with education and when people are free to learn, people lean the value of freedom."

### PFMA members will meet at The Hotel Hershey in May

PFMA staff will be hosting PFMA's retail members at an annual conference to be held May 26-27 at The Hotel Hershey. This year PFMA will honor a number of its members with Keystone Awards for community service. The Loss Prevention Committee will be holding its second annual conference and will feature a number of afternoon seminars followed by a trade show and reception. PFMA also injects a lot of fun into the conference as the 17th Annual Pennsylvania's Best Bagger Contest brings out the the best baggers in the state and their supporters to crown a state champion.

### Communications Keeps Members Informed

PFMA's Communications Staff continues to inform members about legislation and regulations, industry openings, news, trends and new products through the *Food Industry Advisor*, a monthly newspaper, and the *Hotline*, a monthly newsletter.

In 2003, the *Food Industry Advisor* expanded its coverage to include pharmacy issues and a column provided by Melanie Horvath, PPC executive director. It also provided IRI data on bread, snacks and dairy products and features on state retailers. In addition, the staff completed special issues on Sauder's Quality Eggs and Boyer's Food Markets.

The staff is currently working to upgrade the association's web site at [www.pfma.org](http://www.pfma.org) to include a more user-friendly interface and new features. Plans are to have it in place by fall.



The Association Services Division staff consists of Ellen Varner, association services secretary; Jamie Overmiller, executive assistant, and Judy Chilcote, membership database specialist.



The Communications Department includes Tom Cirino, advertising manager and communications specialist; Elizabeth Peroni, director of communications and media relations, and Ed Conley, Food Industry Advisor editor and senior communications specialist.

## SCP Continues to Increase Accuracy Rates

**S**ince 1991, the Scanning Certification Program has helped participating retailers provide price accuracy and appropriate pricing information to consumers in Pennsylvania and surrounding states. The main objectives of this voluntary price accuracy program are to clearly identify for customers the prices of all items in the store and to ensure that customers are charged the lowest advertised price at checkout.

Program guidelines require stores to ensure that shelf tags are accurate and legible, that scanners are programmed to charge the lowest advertised price, that appropriate employees receive price accuracy training, and that consumers receive information about their rights as scanning store customers.

Program auditors conduct unannounced in-store inspections to measure compliance with program standards. Certification is awarded to stores who have implemented

program requirements and achieve an accuracy rating of at least 98 percent on a random sampling of items.

The Scanning Certification Program provides public recognition for stores that achieve and maintain a high level of scanning and pricing accuracy. Adherence to program requirements helps prevent overcharges that erode consumer confidence and under-charges that cost stores money. Certified stores also fulfill the Pennsylvania state requirements of Act 155 for the annual inspection of checkout scanning systems.

The program has grown significantly since its inception. Membership has risen from 10 study participants in 1991 to more than 1,200 supermarkets and convenience stores today. One hundred and thirty-three inspections were performed in 1993. Ten times that number of inspections were performed in the last 12 months.

Most importantly, the Scanning Certification Program is



meeting its main goal of improving price accuracy. The average supermarket price accuracy for member stores has increased from 96.9 percent in 1991 to 99.10 percent in fiscal 2003.

The Scanning Certification Program has received nationwide attention for its proactive approach to price accuracy issues. The program's staff and Board of Advisors have worked with industry groups and government agencies on various pricing and scanning issues. The program is also recognized by the Commonwealth of Pennsylvania as an approved certifier for Act 155 price verification inspections.

(Continued on the following page)



# RTSCP — A Voluntary Retailer Initiative to Prevent Tobacco Sales to Minors



*Missy Wellington  
RTSCP Manager*

**I**n support of tobacco sale laws and out of concern for the health of youth, responsible retailers recognize the need to take all necessary steps to prevent the sale of tobacco to minors.

In 1999, at the request of several prominent Pennsylvania retailers, Pennsylvania's Attorney General, Secretary of Health, Physician General, as well as representatives of regulatory and law enforcement agencies, tobacco-use prevention coalitions and retail companies, held a series of meetings to discuss ways to improve compliance with tobacco sale laws.

The result of the group's work was the creation of the Responsible Tobacco Sale Certification Program (RTSCP), which was incorporated in January 2000. A Board of Advisors oversees the RTSCP and has as its members many of the people who developed the program. Scott Hartman, Rutter's Farm Stores, serves as the Board's Chairman and Tim Reardon, Giant Food Stores, is Secretary. PFMA's Autumn Thomas serves as the program's President.

The goal of the RTSCP is to reduce the use of tobacco by minors by preventing the sale of tobacco products to anyone under 18 years of age. This voluntary program also aims to assure consumers and government officials of participating retailers' commitment to enforcing tobacco sale regulations.

The RTSCP provides guidelines for member stores to follow aimed at preventing illegal tobacco sales and improving compliance with tobacco sale regulations. The "best practices" standards are detailed in the program's Operations Manual. Participating retailers must: 1) follow appropriate tobacco sale policies, 2) provide thorough training to clerks about tobacco sale laws and procedures, 3) post signage in stores announcing no tobacco sales to minors, and 4) pass periodic, unannounced compliance inspections by RTSCP inspectors.

RTSCP compliance inspections are conducted by adult RTSCP inspectors who accompany secret shoppers, minors between the ages of 15 and 17, to each store. The youth secret shopper attempts to purchase tobacco while the adult inspector witnesses the transaction. Regardless of the outcome, the adult inspector gives immediate feedback to the clerk and manager, and conducts a brief interview of the clerk.

Inspection results and interview responses are compiled and analyzed in an effort to better understand why clerks do or do not sell tobacco to minors. This feedback should enhance retailer best practices tobacco sale policies and training programs over time.

Certification is awarded to stores that have implemented program guidelines and do not sell tobacco to youth secret shoppers during two consecutive compliance inspections. Stores earning certification undergo unannounced compliance inspections every six months.

The RTSCP became operational in 2001. Current participating companies include:

Bill's ShurSave supermarkets, Clemens Family Markets, Crossroads Convenience, Giant Food Stores, Handee Marts, Pathmark, Rutter's Farm Stores, Shipley Stores, Sunoco, Turkey Hill Minit Markets and Wawa. The Pennsylvania Convenience Store Council and the Norristown, Pennsylvania City Council also endorse the RTSCP. To date more than 5,500 tobacco sale compliance inspections have been performed in member stores across Pennsylvania. It is expected that the program will continue to grow significantly.

RTSCP staff has several areas of focus in the upcoming year. In addition to the ongoing analysis of current data collected in the inspection database, staff seeks to add embedded studies to test promising best practices. The feasibility of offering member stores a variety of other types of in-store inspections will be investigated. RTSCP staff will continue to develop collaborative partnerships with other important organizations dedicated to preventing the sale of tobacco to minors, such as the National Association of Convenience Stores (NACS), various local and state tobacco-free coalitions and the Responsible Retailing Forum. In October 2003, RTSCP staff introduced the program at the annual NACS Show.

Any retail company that sells tobacco is eligible to participate in the RTSCP. Stores are charged an initial enrollment fee and separate on-site inspection fees for tests performed.

For more information, contact Missy Wellington at 800.543.8207 or mwellington@pfma.net.



*Autumn Thomas, left, RTSCP president, and RTSCP Program Manager Missy Wellington, right, met with the Honorable Robert S. Muscalus, D.O., Pennsylvania Physician General, during a RTSCP board meeting in January.*



## SCP Board of Advisors

The Scanning Certification Program was developed by a Board of Advisors, which continues to set policy and oversee all aspects of the program.

The current members of the Board of Advisors are:

**Edward D. Arnoldi**  
Pennsylvania Association  
of Weights & Measures

**Mary Bach**  
Consumer Advocate

**Murray Battleman**  
Richboro Shop 'n Bag

**Ken Deitzler**  
Pennsylvania Department of Agriculture

**Dr. Drew Hyman**  
Pennsylvania State University

**Ric LeBlanc**  
Pennsylvania Office of Attorney General

**David McCorkle**  
Pennsylvania Food Merchants Association

**Kevin Mullen**  
SUPERVALU, Inc., Pittsburgh Division

**Peg Rhodes**  
United Food & Commercial Workers

**Steve Swan**  
Retailix

**Bill Wolf**  
C & L Retail Systems

**F. Dolores Yuckenberg**  
West Shore Senior Center





PFMA's Jennifer Walker joined John Boyer, left, Boyer's Markets, as he met with Rep. David Argall, right, in Tamaqua, Pa.

Christy Spoa, Ellwood City Save-A-Lot owner, presented the small businessman's view on the Country of Origin Labeling issue during a hearing in Lancaster County.



PFMA's Government Relations Department is at the Capitol daily to make sure the food industry point-of-view is relayed to legislators. From left, Jennifer Walker, director of government relations; Annette Chilson, communications/information specialist, and Melanie Horvath, director of association services.

ISSUE	BACKGROUND	EFFORTS	RESULT
<b>Below-Cost Gas Sales</b>	Representative Dennis O'Brien (R-Philadelphia) introduced House Bill (HB) 2277 to prohibit any sales of products below cost, establish a state energy office to monitor fuel prices and to eliminate zone pricing, among other initiatives.	The Pennsylvania Convenience Store Council and PFMA Legislative Committee reviewed the bill, indicated specific problems with the language and voted to oppose the bill. Problematic language included establishing a new energy department, prohibiting zone pricing and expanding pricing restrictions to products beyond gasoline, such as food.	Staff met with House members to explain the negative effects of this bill, which has been re-referred from the House Environmental Resources and Energy Committee to the House Consumer Affairs Committee. To date, there are no plans to bring the bill to a vote.
<b>Big Box Legislation</b>	The Philadelphia City Council introduced Bill 030645, which would prevent large retail stores from selling certain nontaxable food merchandise and over-the-counter (OTC) drugs and ultimately, bar them from obtaining permits to conduct business in Philadelphia. No permit for a store would be issued unless the particular footage and sales-percentages existed.	PFMA closely monitored the bill. A hearing was scheduled to take place on December 1, 2003, but did not occur.	PFMA continues to monitor for bill movement.
<b>Budget</b>	<p>In March 2003, Governor Rendell proposed his estimated \$21 billion general fund budget, which included a 3% increase over previous fiscal year spending as well as cuts in government spending. The Governor signed his initial budget, yet vetoed approximately \$4 billion in education spending. The Governor then proposed phase two of his plan entitled "A Plan for A New Pennsylvania," which was estimated to cost \$22 billion.</p> <p>Included in phase two of the Governor's plan were changes to Pennsylvania's business taxes, which included a proposal to eliminate the Delaware Holding Company Tax Alternative in Pennsylvania, a reduction in the Capital Stock and Franchise Tax Phase-Out, a Gross Receipts Tax Extension to all interstate calls (including cell phones and pagers) and a Personal Income Tax increase from 2.8% to 3.1% — ultimately up to 3.75% — to help reduce property taxes and to pay for school improvements. There were also rumors that the Sub-Chapter S Corporation designation would be eliminated, which would push such businesses to the 9.9% corporate net income tax rate rather than the 2.8% rate assessed for Sub-Chapter S Corporations.</p>	PFMA met with other business groups and surveyed the membership to determine how the proposal would affect Pennsylvania's business community overall. PFMA worked with these groups to promote the message that Pennsylvania businesses would not accept any increase in business taxes.	<p>Six months after the state's budget was due for mandatory approval, a \$1 billion proposal which included new taxes was signed by Governor Rendell to finance educational programs and restore items cut from the original effort back in the spring. The final measure did not include property-tax relief to offset the tax burden.</p> <p><b>Major Revenue Items in the budget included:</b></p> <ul style="list-style-type: none"> <li>• A nearly 10 percent income tax hike to raise an estimated \$729 million annually for the state's General Fund to help pay for new education programs, restore budget cuts and avert a deficit. The tax rose from 2.8 percent to 3.07 percent;</li> <li>• A 35-cent per-pack cigarette tax increase was instituted along with a 1.75% presumptive markup on cigarettes and a change in stampers' surety bond requirements. The increase raised the \$1-per-pack tax already levied on cigarettes to \$1.35 per pack. The tax increase was estimated to raise \$255 million annually. Of the money, \$183 million went toward financing the physician's M-care fund, a state-run insurance fund that covers medical malpractice claims;</li> <li>• A tax on gross receipts from interstate land line calls was instituted to raise about \$124 million in fiscal year 2003-04 and \$98 million in fiscal year 2004-05 beginning July 1 for the state's General Fund;</li> <li>• A tax on gross receipts from cell phone calls was set to raise about \$194 million annually for the state's General Fund;</li> <li>• A fee increase was instituted for administrative filings, such as birth certificates and death certificates, earmarked to raise \$29.3 million annually for the state's General Fund; and</li> <li>• A delay in the phasing out of the Capitol Stock and Franchise Tax (CSFT) was put in place to raise \$60.7 million in fiscal 2003-04 and \$116.8 million in fiscal 2004-05 for the state's General Fund.</li> </ul>

# Government Relations



ISSUE	BACKGROUND	EFFORTS	RESULT
<b>Caps on Non-Economic Damages</b>	The Pennsylvania Chamber and local chamber groups continue to push for caps on non-economic damages.	A legislative proposal that would amend the Pennsylvania Constitution to allow the General Assembly to place limits on damages involving all tort actions failed in the Senate during the week of March 10, 2004. The Senate voted down the measure, which was supported on the floor by Republican Senators Jeff Piccola (Dauphin) and Jake Corman (Centre) and the business and medical communities at large, by a vote of 27-23.  Later, the Senate did approve language amending the Constitution to allow for limits on non-economic damages in medical malpractice cases only, but the proposal faces an arduous trip before final approval. It must pass the House this session and then the House and Senate again during the next session before going to the voters for final approval.	PFMA continues to support efforts of business groups to cap non-economic damages on all lawsuits, not solely medical malpractice lawsuits.
<b>Child Labor</b>	Representative Dave Steil (R-Bucks) re-introduced his bill from last session to make Pennsylvania's Child Labor law as parallel to federal law as possible. The current bill number is House Bill 674.	PFMA offered suggestions to prevent the Pennsylvania Department of Labor and Industry from penalizing retailers for state level violations for which they have already been penalized on the federal level. The bill was amended to include those suggestions. It also provides for administrative penalties on the Pennsylvania level rather than an immediate assessment of criminal penalties for a violation.	The bill passed the House and is currently in the Senate.
<b>Cigarette Taxes</b>	In 2003, the Governor proposed an increase in the cigarette tax by 10 cents-per-pack to remedy the medical malpractice crisis.  Representative Ellen Bard (R-Montgomery) was also pushing two legislative amendments to increase the cigarette excise tax from the then current rate of \$1.00 per pack to \$1.75-per-pack. She promoted her proposals as a way to reduce medical malpractice insurance rates.	Although staff and members diligently contacted their legislators throughout 2003 to oppose any tax increase, PFMA was informed that a tobacco tax increase was inevitable.  In related news, on the federal level, PFMA participated in a Tobacco Lobby Day with the National Association of Convenience Stores (NACS) to oppose FDA regulation of tobacco and to support legislation regulating remote sellers of tobacco. Several PFMA members participated.	Six months after the state's budget was due for its June 30 mandatory approval, the Governor signed a \$1 billion budget, which included new taxes to finance educational programs and restore some items cut from the original budget effort.  As part of the budget package, a 35-cent per-pack cigarette tax increase was instituted along with a 1.75% presumptive markup on cigarettes and a change in stampers' surety bond requirements. This increase raised the \$1-per-pack tax already levied on cigarettes to \$1.35 per pack. The tax increase was estimated to raise \$255 million annually.  Of the money, \$183 million was earmarked to finance the physician's M-care fund, a state-run insurance fund that covers medical malpractice claims against them. The remainder, \$72 million, was earmarked for the state's General Fund.
<b>Country-of-Origin Labeling (COOL)</b>	The Country of Origin Labeling (COOL) program was included in the federal 2002 farm bill and was slated for implementation by September 30, 2004. On October 30, 2003, USDA published its proposed regulations to implement the mandatory COOL program. PFMA supported efforts by the Food Marketing Institute (FMI), the National Grocers Association (NGA) and the National Association of Convenience Stores (NACS) to repeal or delay the mandate.  The guidelines called for retailers to place country of origin labeling on fresh and frozen produce, meat, seafood, and peanuts, for which the records must be kept on file for two years. Labeling was expected to become mandatory on September 30, 2004.	PFMA members testified in Lancaster in June of 2003 to oppose the federal mandatory COOL requirement and lobbied with FMI in Washington D.C. to urge full repeal or delay of COOL.	The U.S. House passed an omnibus budget bill that included a two-year delay on the implementation of mandatory labeling for all products, except farm-raised and wild fish.  On January 22, 2004, the U.S. Senate passed an \$820 billion omnibus spending bill, which included a two-year extension of the Country of Origin Labeling (COOL) rule's effective date. The bill, which included all covered commodities, except fish, was signed into law by the President. The labeling requirement, which was originally due to take effect on September 30, 2004, as set forth under farm legislation enacted in 2002, has been moved up to a September 2006 effective date. Members continue to correspond with federal legislators to urge full repeal of the COOL requirement.  Associations for the nation's leading produce, beef, pork and seafood producers, along with food retailers and wholesalers, have agreed to craft a voluntary program to provide consumers country of origin information about these products.
<b>Diesel Hold Open Fueling</b>	Representative Ron Marsico (R-Dauphin) introduced House Bill 1238 to specifically allow for hold open devices on diesel fuel dispensing nozzles and to require consumers to remain within 10 feet of the re-fueling point and in plain view while operating the dispensing device.	PFMA members had indicated support of this legislation after staff worked with Representative Marsico to include language that would limit liability on clerks and store owners for ensuring that customers stay near the refueling site.	House Bill 1238 passed the House on March 31, 2004 and as of May, 2004 is in the Senate.
<b>Food Code Training</b>	The Pennsylvania Department of Agriculture began working to update Pennsylvania's 1996 Food Code in 1997 in response to an update to the Food and Drug Administration's (FDA) model Food Code.	Changes to the Food Code in 1998 initiated the formation of PFMA's Food Safety (now referred to as Food Protection) Committee. The committee worked on changes to the Pa. Food Code over the past eight years using the FDA model Food Code and scientific information from the Conference for Food Protection (CFP).	In December 2003, Pennsylvania's updated Food Code was adopted using the most recent FDA model code and CFP recommendations. In March 2004, PFMA worked with the FDA, the Pennsylvania Department of Agriculture, and the Pennsylvania Restaurant Association to coordinate training sessions across the state.
<b>Food Employee Certification</b>	HB 2842, which required changes to the Food Employee Certification Act, was passed and signed into law in December of 2002. As a result, the Pennsylvania Department of Agriculture was required to promulgate regulations by July 1, 2004 under the guidance of the Pennsylvania Food Employee Certification Act Advisory Board.	PFMA and PCSC each had representatives on the board. The amended law requires that in determining criteria for certification programs, the Board and Department consider individual food establishment training programs, the limited handling of potentially hazardous foods, the number of hours necessary for the scope of business operations, and demonstration of satisfactory knowledge. The board reviewed draft regulations during their May 2003 meeting and regulations were published for public comment.	The Department of Agriculture's legal department finalized the draft regulations in the fall of 2003. The department will review and respond to any public comments submitted in response to the draft regulations. Final regulations will be implemented by July 1, 2004.
<b>Food Inspections</b>	Representative Jeffrey Habay (R-Allegheny) introduced House Bill 2260 to require increased inspections in food establishments to prevent hepatitis-A breakouts.	PFMA and the Pennsylvania Restaurant Association met with Representative Habay to express concerns with this proposal. PFMA and PRA explained that increased inspections at food establishments will not prevent Hepatitis-A breakouts and outlined the extent of preventative measures that food establishments take in preparing and offering for sale of food. PFMA also shared these concerns with Chairman Arthur Hershey (R-Chester).	Chairman Hershey and Representative Habay understood the impact this proposal would have on the industry. There are no plans to move this bill from committee at this time.
<b>Huffing</b>	House Bill 661 was introduced by Representative Louis Bishop (D-Philadelphia) to prohibit retailers from selling or offering to sell inhalant products to children under 16 years of age. The legislation also prohibits retailers from selling or offering to sell an inhalant that does not have a manufacturer warning label on the product.	PFMA expressed strong opposition to the legislation because of the onerous provisions on retailers. Additionally, PFMA opposed the criminalization of retailers for selling such products to youths. Products covered in this legislation include aerosol and other products such as RediWhip, Cheez Wiz, and household products, etc. Current Pennsylvania law prohibits the sale of noxious products to any person if a retailer has reason to believe those products will be used for intoxication, inebriation, etc.	HB 661 was voted out of the House Health and Human Services Committee as well as the Appropriations Committee. It was then re-referred to the rules committee on March 31, 2004. At this time there are no plans for movement.  Other related bills have been introduced in 2004, including Representative Doug Reichley's (R-Emmaus) HB 2063 and Rep. Bishop's House Resolution 704, which also address inhalants. HB 2063 amends the current law to prohibit sales to minors if the retailer has reasonable cause to suspect that the product sold or offered for sale will be used by a minor for intoxication, inebriation, etc. Violation of the act would be a second degree misdemeanor. It passed the House Judiciary Committee.  House Resolution 704 encourages the Pennsylvania Department of Health to implement an advertising campaign targeted toward minors in outlining the dangers associated with inhalant abuse.



ISSUE	BACKGROUND	EFFORTS	RESULT
<b>Internet Sales of Tobacco</b>	Representative Steve Nickol (R-Adams, York) introduced House Bill 2235 to regulate Internet sales of tobacco by requiring sellers of tobacco products and mail carriers to identify consumers and require payment of appropriate state taxes. The bill moved through several committees in the House. Senator Anthony Williams introduced a similar bill, Senate Bill 921, which is in the Senate Communications and Technology Committee.	PFMA staff met with Representative Nickol to share feedback from members and the National Association of Convenience Stores (NACS). PFMA also met with Senate Communications Committee staff who indicated there were no plans for moving Senator Williams' bill.	PFMA continues to support the National Association of Convenience Stores (NACS) with its efforts to pass federal House Resolution 2824, the Internet Tobacco Sales Enforcement Act, that seeks to close irresponsible sales loopholes and place identical tax and age-verification burdens on all cigarette retailers.  This federal legislation, introduced by Representatives Mark Green (R-WI) and Marty Meehan (D-MA), would give states the authority to enforce the Jenkins Act, a law passed in 1949 that requires cigarette vendors to report interstate sales of cigarettes. The current law is ignored by virtually all Internet and mail order retailers, and a loophole keeps state attorneys general at bay when it comes to prosecuting offenders.  PFMA continues to urge members and their respective store managers to send letters to federal legislators supporting passage of the federal legislation.
<b>Loss Prevention</b>	The Loss Prevention Committee is focusing on the issue of organized retail theft (ORT). ORT crime is separate and distinct from petty shoplifting in that it involves professional theft rings that move quickly from community to community and across state lines to pilfer large amounts of merchandise that is then repackaged and sold back into the marketplace.	The group feels that educating law enforcement about how to pick out signs of ORT activity is essential. The ultimate goal is to change the attitude of the "cop on the street." The committee is working with the Pennsylvania State Police to implement training on organized retail theft within the State Police and Municipal Officer's curriculum.	A sub-committee was formed to work with law enforcement and other stakeholders to develop training and to consider what legislative changes may be necessary.  <b>Miscellaneous</b> The Loss Prevention Committee adopted bylaws and established new officers. The Committee is planning another seminar to be held in conjunction with PFMA's annual event in May 2004. Breakout sessions are planned to give PFMA members the opportunity to participate in training on various topics.
<b>Native American Gaming</b>	Slots came to a halt when Senator Vince Fumo (D-Philadelphia) adamantly opposed passage of gaming legislation without the ability for Native Americans to apply for licenses and agree to be regulated by state laws.	PFMA has shared with legislators the problems that other states have had with tax-free sales of cigarettes and gasoline by Native Americans that run gaming establishments.	An amendment was prepared to address this concern by requiring payment by tribes if they are included in the legislation. At this time, there are no plans to include Native American gaming in any gaming legislation
<b>Nutrition Labeling</b>	Representative Louise Bishop (D-Philadelphia) introduced House Bill 1520 to require licensed eating and drinking establishments to post nutrition information in the same size arrangement and typeface and made as easy to read as other products offered for sale on menu boards.	PFMA and the Pennsylvania Restaurant Association met with Representative Bishop and others to communicate industry's concerns with such requirements.	As of May, 2004, there are no plans to move the bill from committee.
<b>Obesity</b>	According to the Associated Press, a study, that was conducted by the state Health Department and Penn State researchers from 1999-2002, tracked a group of 25,000 Pennsylvania students for three school years. It showed that 18 percent were overweight and another 17 percent were at risk of becoming overweight by the time they reached eighth grade. The percentage of overweight youth in Pennsylvania is slightly higher than the national average, according to the report.  While PFMA and PCSC members recognize that good nutritional choices in stores are important in maintaining a healthy community, PFMA supports Representative Turzai's (R-Allegheny) legislation, House Bill 1986. House Bill 1986 would establish "The Personal Responsibility in Food Consumption Act" to prevent frivolous lawsuits against the manufacturers, distributors or sellers of food and nonalcoholic beverage products that comply with applicable statutory and regulatory requirements. It was introduced and referred to the House Judiciary Committee.  A federal bill entitled "The Personal Responsibility in Food Consumption Act" (House Resolution 339) was introduced on the federal level by Representative Ric Keller (R-Florida) and was recently passed by the U.S. House by a vote of 276 to 139.	PFMA submitted written testimony on the topic, "Young people's health care issues as they pertain to diabetes, nutritional standards and obesity" to members of the Pennsylvania House Majority Policy Committee in March of 2004. Within the testimony, PFMA expressed its opposition to new restrictions, taxes, bans or burdensome regulations because they are not the solution to this complex problem. PFMA further expressed its belief that partnerships and multi-faceted plans to improve nutrition are the most effective means to finding solutions to health care problems caused by poor nutrition. In closing, PFMA outlined its commitment to partnering with the Department of Health, Pennsylvania Advocates for Nutrition and Activity (PANA), the Pennsylvania Nutrition Education Network (PANEN), the Food Trust and others to effectively promote healthy eating habits and maintaining a healthy lifestyle.	PFMA is working with the Department of Health and PANA on joint activities to promote good nutrition and a healthy lifestyle. PFMA is also supporting movement of Rep. Turzai's bill.
<b>Recycling/Littering</b>	The Pennsylvania Department of Environmental Protection established an Anti-Litter Task Force in response to requests from the food and beverage industries and environmental groups. This Task Force developed into the Keep Pennsylvania Beautiful (KPB) program.	PFMA became a board member of the Keep Pennsylvania Beautiful organization that was formed in 2003. The group is currently working to assess Pennsylvania's litter laws and to educate the public to stop littering. PFMA also continues to serve on the Pennsylvania Resources Council to monitor and participate in recycling efforts.  PFMA is also working with the Philadelphia Office of Watersheds to address their concerns with grocery carts found in local streams. PFMA agreed to work with Philadelphia-area members to educate consumers about the problems of taking grocery carts from stores and leaving them in areas where they may eventually go into streams, causing environmental problems.	The Pennsylvania Department of Environmental Protection (DEP) worked with the Keep Pennsylvania Beautiful board to coordinate Pennsylvania's first Great Pennsylvania Cleanup, to recognize Earth Day statewide. PFMA, as part of the Keep Pennsylvania Beautiful board, worked with members to provide in-kind donations such as food and drinks to volunteers at certain locations.
<b>Sales Tax</b>	The Commonwealth Caucus, a group of House Republican members, is advocating a proposal to decrease the state sales tax from 6% to 4% while expanding the tax to all products sold in Pennsylvania. Items proposed as exempt from tax are purchases made with food stamps, contract farming, agricultural wholesale purchases, public transportation, tax-exempt organizations, prescription drugs, manufacturing wholesale purchases, and hospital service. Legal and financial services, utilities, and doctor visits would not be exempt from the sales tax. This \$16 billion revenue-raising proposal would eliminate property taxes for both business and homeowners.  Representatives Sam Rohrer (R-Berks) and Mario Scavello (R-Monroe) are leading the effort. An economic study is being developed to provide a clearer financial picture of how the proposal would impact the state.	PFMA participated in focus groups and offered public written testimony to provide initial feedback and to offer suggestions to the proposal. Members expressed an interest in learning how a change to the current sales tax structure would function to eliminate business property taxes. They also expressed concern about what a tax on "services" entails.	PFMA continues to work with members and legislators to learn more about this proposal and to offer specific feedback about the impact it may have on our industry. An economic study is expected to be released in the spring of 2004.
<b>Tobacco (Pregnant Women)</b>	Senator Jane Orié (R-Allegheny) introduced Senate Bill 833 and Representative Beverly Mackereth (R-York) introduced House Bill 2034 to reduce smoking by pregnant women. The bills mandate that stores selling tobacco products put educational materials at the point-of-sale. These materials would be provided by the state Department of Health and financed by Pennsylvania's share of the 1988 national tobacco settlement.	The Legislative Committee agreed that PFMA should oppose these bills and agreed that the concept would be more effective if implemented in obstetricians' offices.	A hearing took place in February 2004 where PFMA staff testified on behalf of members to outline their concerns.



ISSUE	BACKGROUND	EFFORTS	RESULT
<p><b>Tobacco (Directory Act)</b></p>	<p>Senate Bill 924, sponsored by Senator John C. Rafferty Jr. (R-Berks), the Directory Act, was passed into law on December 30, 2003. The Directory Act requires all tobacco manufacturers who wish to sell cigarettes within Pennsylvania, to register with the Office of Attorney General in order for their brands to be listed in the directory of legal cigarettes.</p> <p>The Directory Act changed the way cigarettes can be legally sold in Pennsylvania. Products from registered manufacturers are the only legal tobacco products that can be sold. After certifications were completed by the manufacturers and the directory of legal cigarette brands was published on the Attorney General's web site, any unregistered manufacturer's product became illegal and subject to seizure if found in retail or wholesale locations.</p>	<p>PFMA continues to work with the Attorney General's office and the Department of Revenue to keep members informed of changes by providing updates in publications and on the association web site at <a href="http://www.pfma.org">www.pfma.org</a>.</p> <p>Retailers can comply with the state's Directory Act by contacting the Attorney General's web site for tobacco manufacturer participation listings. Retailers who want to see if their brand is providing tobacco settlement dollars to the Commonwealth, and therefore in compliance, can click onto the Attorney General's web site at <a href="http://www.attorneygeneral.gov/ppd/tobacco/brandsearch.cfm">http://www.attorneygeneral.gov/ppd/tobacco/brandsearch.cfm</a> and review the directory of brands.</p>	<p>PFMA is working with the Attorney General's Office to make the Directory Act web site search features more user friendly.</p>
<p><b>Tobacco Sales Education</b></p>	<p>For the 2002 federal fiscal year, Pennsylvania was required to demonstrate that the percentage of retail tobacco sales to minors did not exceed 20 percent. For the 2001-02 year, the Department of Health increased the number of ongoing enforcement and compliance checks completed in Pennsylvania and the state's 2002 rate was determined to be 14.5 percent.</p> <p>In 2001, Pennsylvania's results with the margin of error, could not exceed a maximum limit of 28 percent. The Commonwealth came in just under the limit at 27.9 percent. In 1996 when Pennsylvania did its first baseline survey, the non-compliance rates were 50 percent.</p> <p>States that do not meet the federally established limits risk losing 40 percent of their federal substance-abuse prevention and treatment block grants for the following year. These funds are distributed to counties to pay for drug and alcohol treatment programs.</p>	<p>Association members proactively contributed to this improvement by participating in the Responsible Tobacco Sale Certification Program (RTSCP), a voluntary program aimed at preventing tobacco sales to minors. The program collects sales data in order to learn how to prevent illegal sales in the future. Members also participated in a series of "We Card" seminars hosted during the summer of 2003.</p>	<p>On December 9, 2003, Secretary of Health Dr. Calvin B. Johnson announced a drop for the second straight year in the number of stores selling tobacco products to minors within Pennsylvania.</p> <p>For the 2003 federal fiscal year, Pennsylvania was required to demonstrate that the percentage of retail tobacco sales to minors under the age of 18 did not exceed 20 percent. Pennsylvania's rate was at the historic low of 10.8 percent.</p>
<p><b>Unattended Self-Service Fueling</b></p>	<p>Representative Sam Rohrer (R-Berks) introduced House Bill 1724 to allow for unattended gas pumps open to the general public. The legislation generated attention to the overall issue and it was discovered that the marketplace had changed significantly since regulations governing the sale of fuel were passed. Therefore, members had various questions about what fueling situations were permitted in Pennsylvania.</p> <p>Senator Gib Armstrong (R-York) coordinated a meeting with PFMA and the Pennsylvania Department of Labor and Industry where L&amp;I offered a draft amendment to the regulations, which proposed allowing unattended fueling to the public if certain criteria are met, such as training cardholders.</p>	<p>PFMA asked the Department of Labor and Industry to provide an answer to the questions: "What is open to the public?" and "What is not open to the public?" The goal was to provide members with clear guidelines about the use of unattended (no attendant present) self-serve gas pumps by customers.</p>	<p>PFMA has submitted preliminary comments as a result of working with members, but will review the proposed regulations once they are officially published.</p>
<p><b>Underground Storage Tank Indemnification Fund (USTIF)</b></p>	<p>The Underground Storage Tank Indemnification Fund (USTIF) Board voted at their September 12, 2002 Board Meeting to increase the capacity and gallon fees for the 2003 billing year.</p> <p>The increase came as a result of a one hundred million-dollar loan to the General Fund and an annual actuarial study that indicated an increase was necessary to maintain the solvency of the USTIF.</p>	<p>PFMA requested that the USTIF Board work more closely with us to keep members abreast of future USTIF changes. PFMA expressed support of the concept of the fund as well as the activities of the Board to ensure its solvency.</p>	<p>The Pennsylvania Department of Insurance informed PFMA that in order to maintain the solvency of the Underground Storage Tank Indemnification Fund (USTIF), the governing board voted on September 25, 2003 in favor of a 10% increase in capacity and gallon fees. The move was approved by the Independent Regulatory Review Commission (IRRC) on December 18, 2003. A rate hike was initiated after the USTIF board reviewed a report prepared for the Pennsylvania Insurance Department Bureau of Special Funds by Miliman USA Inc., which outlined that the fund would be emptied by July 2006 unless fees were increased. The increases took effect on January 1, 2004 and raised the capacity fee from \$0.075 to \$0.0825 per gallon and the gallon fee from \$0.01 to \$0.011 per gallon.</p> <p>The General Fund is scheduled to begin re-paying the loan from the USTIF beginning July 1, 2004. PFMA will watch for any future borrowing against the fund.</p>
<p><b>Unemployment Compensation</b></p>	<p>Retailers have implemented stringent store policies to terminate employees who sell tobacco to minors against state law. The Department of Health urged retailers to adopt such stringent policies last year as it publicly admonished stores for their poor performance on SYNAR and other tobacco compliance checks in the past. As a result of implementing such policies, PFMA has received reports that terminated employees have been granted unemployment compensation because their actions against the store policy were not deemed to be willful violations.</p>	<p>PFMA staff met with legislators and the Department of Labor and Industry to make them aware of this problem and to seek a resolution. The Department feels it is bound to current law and legal precedent, which requires them to grant unemployment compensation for actions not deemed to be willful, such as those reported to PFMA.</p>	<p>Members of the House Majority Policy Committee have formed a sub-group to focus on unemployment compensation changes necessary to help business. PFMA will be working with the Policy Committee to share these concerns and develop legislation to address this problem.</p> <p>Representative Gib Armstrong (R-York) is working on introducing legislation in an attempt to address this specific problem. We will be working with the Representative and his staff on the issue.</p>
<p><b>Urban Supermarkets</b></p>	<p>Representative Frank Oliver (D-Philadelphia) submitted a report to the state Health and Human Services Committee resulting from his investigation of problems associated with the lack of supermarkets within urban and underserved communities in Pennsylvania. The report was completed as required by House Resolution 13 of 2003. He suggested that urban supermarkets should be state-run, much like the state liquor stores. Representative Oliver then held a press conference on December 3, 2003 and PFMA circulated a press release in response.</p>	<p>PFMA worked with the Philadelphia Food Trust to address their concerns with the lack of supermarkets in urban areas. Representative Dwight Evans (D-Philadelphia) agreed to seek funding to help supermarkets enter the Philadelphia marketplace.</p>	<p>The Governor signed Senate Bill 1026 on April 1, 2004, which establishes the Commonwealth Financing Authority and includes provisions that will enable supermarkets to apply for funding under the "First Industries Program." The funding recommendation was part of the report drafted by the Philadelphia Food Marketing Task Force, co-chaired by Walt Rubel of Albertsons/Acme Markets, Inc.</p> <p>While the law has already gone into effect and the Department of Community and Economic Development will oversee this program, it will take 30 days from the effective date of the Act to appoint members to the Board. From that time it will take approximately 120 days to create the Commonwealth Financing Authority, which will oversee the First Industries Program, among others, that provide funding under the legislation. The board will then need to establish bylaws, set up accounts and develop guidelines. Once the guidelines are established, the Authority must issue bonds based on the amount of money they anticipate will be needed in the first year. They expect to issue \$250 million within the first year.</p>
<p><b>WIC (Women, Infants &amp; Children)</b></p>	<p>The Pennsylvania Department of Health issued its new Women, Infants and Children (WIC) program regulations, which eliminated the slotting process whereby the Department of Health set a limit on the amount of stores that could be licensed under the WIC program in certain trade areas.</p>	<p>In the fall of 2003, PFMA publicized and took part in seminars across the state, which were conducted by the Department of Health, to explain the new WIC regulations.</p>	<p>Maximum allowable costs for products have been established and are published in the <i>Pennsylvania Bulletin</i> as well as in PFMA publications. Members interested in becoming part of the WIC program may now simply contact their local WIC coordinator to get involved.</p>
<p><b>Wine/Beer Sales</b></p>	<p>Representative Mike Turzai (R-Allegheny) introduced House Bill 1327, which would allow grocery stores to sell wine only. He had initially drafted the legislation to allow the sale of wine and beer in grocery stores but removed beer after receiving strong opposition from beer distributors and manufacturers. PFMA formed a Task Force to evaluate the issue.</p>	<p>The task force reviewed the draft legislation and agreed that they prefer to work on a bill that would allow sales of both wine and beer.</p>	<p>The task force has completed an economic analysis of the issue and is finalizing a legislative proposal to allow the sale of wine and beer in food stores in Pennsylvania.</p>

## Pennsylvania Pharmacy Council Supports Members



Melanie Horvath, PPC executive director, talks with Phil DiMartile of Senator Madigan's office, and Rep. Rick Geist (R-Blair) during the first PPC Pharmacy Day on the Hill.



PFMA President David McCorkle, left, stopped by the first Pharmacy Day on the Hill in November. He talked with members Mike Hamilton, Acme Markets; Mark Rabinowitz, Genuardis/Safeway; and Kathryn Risha, Acme Markets.

### PACE/PACENET Expansion

In November 2003, Governor Ed Rendell signed House Bill 888, Act 37 of 2003. The bill expands the state's elderly prescription programs, PACE and PACENET. On several occasions, PPC staff and council members testified at House and Senate hearings regarding the Council's concerns, including the elimination of a provision mandating mail order. After a myriad of amendments and even changing the code that the bill originally amended, the bill was approved by the General Assembly.

In addition to eliminating the mandatory mail order provision, PPC called on the Senate to commission a statewide survey on the cost of dispensing drugs in Pennsylvania.

### Pharmacy Benefit Manager (PBM) Legislation

PPC joined the Pennsylvania Pharmacists Association (PPA), the National Community Pharmacists Association (NCPA) and National Association of Chain Drug Stores (NACDS) and Value Drug to discuss current PBM legislation proposed in the House and Senate (HB 1067 and SB 726). The legislation imposes regulations on PBM's by establishing several safeguards including transparency measures and conflict of interest language. Proponents of the legislation argue that PBM's remain the only unregulated 'insurer' in Pennsylvania and most other states. The legislation is being advocated strongly by PPA, Value Drug and NCPA.

### Pharmacy Technician Legislation

Legislation (House Bills 1886 and 1871) has again been introduced requiring that pharmacy technicians be certified. PPC has met with the Executive Director of the House Professional Licensure Committee who agreed to set up meetings with key policymakers to discuss our key concerns. A meeting was held with the proponents of the legislation where PPC raised the issues of grandfathering, training and the exam. No further action was taken in 2003 regarding technician certification legislation.

### Office of Healthcare Reform

Rosemarie Greco, Secretary of Office of Healthcare Reform, projected that she will coordinate prescription drug purchasing among state providers. Part of Greco's objective is to streamline the operation and lower the costs of the Medicaid system.

### Pharmacy Day

For the first time in Pennsylvania, members of the Pennsylvania Pharmacy Liaison Group (PPLG) formed a workgroup to plan a Pharmacy Day at the Capitol on November 17. The group exhibited the many facets of pharmacy from including the different types of pharmacies to the kind of education required to become a pharmacist.

### REGULATIONS

#### PPC Achieves Agenda

Following the passage of House Bill 751 (Act 102, 2002), the state Board formed a workgroup to work on regulations governing injectable regulations of immunizations and biologicals. PPC was part of that group and submitted five recommendations on behalf of the PPC board. Four of those recommendations were approved by the Board.

Other proposed regulations being monitored in 2004 include:

- **Technology and Automation**

The proposal addresses issues raised by new technology now available in the field of pharmacy to allow the use of such technology while ensuring consumer safety.

- **Return to Stock of Undelivered Medications**

This Statement of Policy addresses the issue of undelivered medications being returned to the active stock of the pharmacy.

- **Drug Therapy Protocols**

Section 2 of Act 102 of 2002 requires the Board to adopt regulations establishing the parameters of written agreements or protocols for drug therapy management in institutional settings.

- **Administration of Injectable Medications, Biologicals and Immunizations**

Section 2 of Act 102 of 2002 requires the Board to adopt regulations to establish education and training standards and practice guidelines under which pharmacists may be authorized to administer injectable medications, biologicals and immunizations to persons who are more than eighteen years of age.



Paul Granger talked to Pharmacy Day visitors about AWI's pharmacy network, while Carol Bylone represented Redner's Warehouse Markets.

## Delaware Food Industry Council Marks Two Years



**Mark Kleinschmidt**  
Delaware Food Industry Council  
Executive Director

Not even into its third year of operation and already the Delaware Food Industry Council is making a name for Delaware's food merchants and convenience store operators. Policymakers are hearing and responding to the interests and concerns specifically impacting the industry.

Legislation improving the state's law concerning the collection of bad checks, for example, is a case in point. House Bill 243, initiated by DFIC's Executive Director Mark Kleinschmidt, has been introduced. The legislation, known as the Bad Check Bill, would allow merchants to recover from the writer of the bad check the amount of the check, attorney's and court fees and mailing costs.

In 2003, the Council continued to work with policymakers, staff and stakeholders on issues such as improving the state's Workers' Compensation law by advocating for employer-directed healthcare; ensuring that Delaware's WIC regulations are fair and completing the roll-out of the EBT program.

The Council continues to be financially self-sufficient with revenue being raised from membership dues and two fund-raisers. The Winterfest fund-raiser, held in Winterthur, netted nearly \$30,000 while the June golf outing and dues comprised the remainder of the budget. Pennsylvania Food Merchants Association staff provides administrative support and serves as a management resource.

For the first time in June, 2003, DFIC members spent the Day in Dover lobbying their legislators. The group also had an opportunity to talk with Governor Minter about tobacco tax increases and lowering the gross receipts tax.



DFIC supports community outreach efforts such as the Check Out Hunger project and the Earned Income Tax Credit Campaign.

### DFIC Board of Directors

#### Officers

- Rich Kenny**, Chair, Kenny Family Shoprites
- Roxanne Arena**, Vice Chair, Wawa, Inc.
- Rich Savner**, Treasurer, Pathmark Stores, Inc.
- Lorelei Mottese**, Secretary, Wakefern Food Corporation

#### Directors

- Walter Rubel**, Acme Markets, Inc.
- Barry Scher**, Super G
- Greg TenEcyk**, Safeway/Genuardis
- Teross Young**, Food Lion

For more information on the Delaware Food Industry Council, contact Mark Kleinschmidt, executive director, at (302) 325-4025 or email him at makdel@aol.com.



## Fund-raising Efforts Strong in 2003

Thank you to all of the following committee members for your continued support of the Pennsylvania Food Merchants Association/Pennsylvania Convenience Store Council's FoodPAC fund-raising efforts.

### Delaware Valley FoodPAC Golf Outing

**Roy Kipp**, Clemens Family Markets  
**Jack Clemens**, Clemens Family Markets  
**Walter Rubel**, Acme Markets, Inc.  
**Joe Della Noce**, SUPERVALU, Inc.  
**Vincent Anderson**, Wawa, Inc.  
**Greg TenEyck**, Safeway/ Genuardis  
**David McCorkle**, PFMA

### Northwestern Pennsylvania FoodPAC Golf Outing

**Bob Bartolone**, Pepsi-Cola  
**Jack Greenberg**, Old Country Store  
**Mike Chevalier**, Meadowbrook Dairy  
**Scott Gibson**, Hillandale Farms

### Central Pennsylvania FoodPAC Golf Outing

**Scott Hartman**, Chairman, Rutter's Farm Stores  
**Scott Karns**, Karns Quality Foods, Ltd.  
**David McCorkle**, PFMA  
**Tim Reardon**, Giant Food Stores, LLC  
**Charles Yahn**, Associated Wholesalers, Inc.

### Philadelphia FoodPAC Golf Outing

**Walter Rubel**, Chairman, Acme Markets, Inc.  
**Rich Savner**, Pathmark Stores, Inc.  
**Grant McLoughlin**, Pathmark Stores, Inc.

### Reading/Allentown FoodPAC Golf Outing

**Richard Redner**, Chairman, Redner's Markets, Inc.  
**Ryan Redner**, Redner's Markets, Inc.  
**Eric White**, Redner's Market, Inc.  
**Joe Della Noce**, SUPERVALU, Inc.  
**David McCorkle**, PFMA

### Western Pennsylvania FoodPAC Golf Outing

**Joe Heisler**, Chairman, Lebanon Shops Foodland  
**Dan McNabb**, Co-Chair, Lebanon Shops Foodland  
**George Hathaway**, Co-Chair, Giant Eagle  
**Don Brick**, SUPERVALU, Pittsburgh Division  
**Ed Conley**, PFMA  
**Tom Dodson**, SUPERVALU, Pittsburgh Division  
**Fred Romantine**, Giant Eagle  
**Gene Tommasi**, Giant Eagle  
**Harvey Porter**, Fike's Dairy  
**Tom Volovich**, Interstate Brands Corporation  
**Mike Cortez**, Sheetz, Inc.  
**Vince Bianco**, Snyder of Berlin

### Our Mission

FoodPAC is a voluntary, non-partisan, non-profit unincorporated committee comprised of various members of the food industry. It is organized exclusively to raise funds for the purpose of advancing and protecting the interests of the food industry in Pennsylvania. The money raised at fund-raising events enables FoodPAC to support and endorse political candidates and elected officials who understand the legislative and regulatory agendas of the food industry.



The Western Pennsylvania FoodPAC Golf Outing was led by Event Chairman Joe Heisler, second from left, and Co-chairman Dan McNabb, left. They shared the day on the course with Ed Heisler and Phil Rosile, right.



Earl, Richard and Ryan Redner join Dave Weinman of Utz for the Reading/Allentown FoodPAC Golf Outing.

Below left, Phillies broadcaster Larry Anderson, left, with Roy Kipp, Clemens Family Markets, and Fran McGrory, Philadelphia Coke.

Below right, Philadelphia FoodPAC Chairman Walt Rubel enjoys the day on the links with Carl Haag of Hatfield Quality Meats.







## Money Services Division

# MEMO Provides High Quality Products & Services for Customer Satisfaction



**Tanya Butler**  
Vice President, Money Services

**M**erchants Express Money Order Company (MEMO), a wholly owned business subsidiary of Pennsylvania Food Merchants Association (PFMA), is one of the nation's leading money services businesses offering money services products to a variety of retailers in the U.S.

MEMO is currently marketing its money services products in 32 states which is consistent with the national expansion growth objective.

The money services products suite consists of money orders as the core business product, gift certificates and "Prepaid by MEMO" — prepaid cellular airtime and long distance calling cards. MEMO products

are also marketed through business alliance relationships with joint marketing agreements and endorsements enabling both parties to market the other products, offering a product mix to enhance market share and accommodate retailer and consumer demand. Additionally, MEMO offers QuickPay!, a walk-in consumer bill payment product, through a joint marketing agreement with American Payment Systems.

During 2003, MEMO focused on four strategic objectives:

- Concentrated growth
- Continuous improvement
- New product development
- Market development

The strategic objectives have assisted with accomplishing the overall mission of the organization, and MEMO takes pride in offering high quality, low-cost money services products and services to PFMA members and affiliated business agents. A high

priority was placed on customer satisfaction through unsurpassed quality and personalized service to ensure that MEMO's agents and consumers were accommodated. Through effective technology, MEMO implemented enhancements and improvements to the money order processing system, consistent with the continuous improvement objective while also assuring effective and efficient operational controls, to reduce cost and minimize risk and exposure. The MEMO web site (memoco.com) was updated to further improve the communications, education and marketing of its products and services. Internally, the Intranet was expanded ensuring updated and consistent information is available to all organizational departments.

Ongoing emphasis was placed on the development of the Anti-Money Laundering Compliance Program, consistent with the regulatory guidelines imposed by the Financial Crimes Enforcement Network as outlined in the Bank Secrecy Act and U.S. Patriot Act. MEMO developed a comprehensive Agent Compliance Training Program and an Agent Compliance Audit Program, which focuses on offering continuous training and education to its selling agents and employees. In-house training has been conducted and field compliance training and compliance audits will be implemented during 2004. A revised *Agent Guide to Anti-Money Laundering* was also distributed to agents.

The "Prepaid by MEMO" pilot program was successfully completed and the products were launched and are currently marketed to agents nationally. The Research and Development efforts continue and the established objectives have enabled MEMO to offer new business products and services to offer agents consistent with consumer demand. The ongoing market research and studies continue to provide the business with an appropriate database of information consisting of consumer demographics, retailer demographics and product demand to effectively develop new products and services.

MEMO looks forward to 2004 and the opportunities and challenges ahead as the money order industry shifts to an evolution of electronic transaction processing. MEMO is enthusiastic about serving the increased number of consumers in the targeted markets, and offering money services products and services through agent locations that are consistent with consumer demand.



Operations Manager Terry Smith, center, is joined by staff members, from left, Roberto Marroquin, bilingual agent service representative; Lesa Althoff, operations coordinator; Jeannette Gipe, operations analyst; and Trisha Black, agent service representative.



Operations Manager Fred Johnston, seated second from right, is joined by his staff, seated, from left, Peggy Langenbach, call center representative; Tina Kresge, claims processor; and Beth Schick, bilingual operations analyst. Back row, Travis Wrobbel, imaging services analyst; Steve Orner, polling/TVR administrator; Charlotte Knisely, call center analyst; Tiara Banks, operations clerk; and Bill Searer, electronic polling/data entry coordinator.

MEMO's professional customer service team includes three bilingual representatives to assist Spanish speaking agents and customers. They are, from left, Johanna Figueroa, bilingual call center representative; Roberto Marroquin, bilingual agent service representative, and Beth Schick, bilingual operations analyst.



The Money Services Compliance Staff monitors daily legislative activity and regulations. They are Kevin Lutkins, compliance officer; Judy Johnson-Ward, licensing and compliance specialist; Jennifer Hamelin and Manny Iem, compliance analysts.



## Sales & Marketing Continues Money Services Expansion, Plans Member Campaign

The year 2003 was quite a busy year for PFMA and our business subsidiaries. Our national expansion plans for Merchants Express Money Order Company (MEMO) continues on track through the leadership of Bryan Hannan, national sales manager. We have received quite a bit of interest during our expansion of MEMO from a range of potential business partners, particularly those representing various other financial products with overlapping sales territories. Conducting business jointly with various strategic partners who target similar customers has enabled MEMO to contact a substantially larger agent base than on our own.

Throughout expansion, one of our primary goals has been to keep in contact with our customers, at least by phone if not by personal visit. Personalized customer service and contact is one of the many qualities of our money order service that distinguishes MEMO from our major competitors. To enhance our agent contact and expedite the administrative necessities of our national expansion we have redirected many of the efforts of Michele Weaver, sales coordinator. Michele ensures that national agents are provided with regular contact and follow up as their money order agency needs occur.

During the past year, MEMO conducted a successful pilot of prepaid wireless telephone services and prepaid long distance services. At the conclusion of our pilot program, we immediately rolled out our prepaid products to our existing money order agents. Many of our agents were quite anxious for the MEMO prepaid service both to fill voids from other diminishing product lines and to gain program stability from MEMO. While the growth in the prepaid market has been almost explosive and continues to expand at an incredible pace, quite a few service providers have come and gone in quick succession. MEMO is known for service consistency and the ability to provide high quality products and services at a more than competitive price. Please give our sales office or your sales representative a call to see how MEMO can improve your service offerings.

Later this year, we will conduct a statewide membership campaign for both retail members and associate members. As businesses change hands and new retailers enter the market, it is important for members of the retail and wholesale food industry to be part of the Pennsylvania Food Merchants Association and avail themselves of the many services we provide. Building our membership base, encouraging members to participate in association activities and using PFMA

business services all contribute to the overall success of PFMA and each individual member. Our goal as an association remains the same, to improve the public image, effectiveness and profitability of companies in the retail and wholesale food distribution industry.

If you have a question about PFMA services or want to make us aware of a new store opening, please call Becky Harner at (800) 543-8207, ext. 5511. For more information on PFMA and our services 24 hours a day/seven days a week, visit the website at [www.pfma.org](http://www.pfma.org).

### Facilities

PFMA operates and maintains two facilities each staffed with a well-trained professional group of employees. Our main office, located at 1029 Mumma Road, houses the majority of our staff who conduct association business and administer the majority of our programs and services.

Nearby in Mechanicsburg, the PFMA warehouse provides most of our shipping and receiving services and maintains 4,000+ money order machine dispensers through a complete in-house maintenance program and customer Help Line. Our staff is always available first and foremost to service our members and business customers.

Providing exceptional customer service at each opportunity is one of the many reasons PFMA continues to be one of the leading food industry associations.



**Hans Leyer**  
Vice President, Sales, Marketing and Facilities



Sales and Marketing is supported by Michele Weaver, sales coordinator; and Becky Harner, administrative assistant. Gene Myers maintains the PFMA office.

### PFMA Sales Representatives



**George Bartell**  
Service Area:  
Eastern Pennsylvania  
610-987-3477



**Ken Dee**  
Service Area: Northern N.J.  
& Long Island, N.Y./NYC  
732-409-7212



**Mark Dillow**  
Service Area: Philadelphia  
and Delaware Counties  
215-934-6963



**Mac Dixon**  
Service Area: Virginia,  
Washington, D.C. & Tenn.  
804-714-1365



**Jim Dunkle**  
Service Area: Central Pa.,  
Western Md. & North. W.Va.  
814-696-3375



**Jim Hager**  
Service Area: North Carolina  
and South Carolina  
910-484-5569



**John Jones**  
Service Area: Northeast. Pa.,  
Central and Western N.Y.,  
N.H., Maine and Vermont  
570-868-4057



**Terry Quigley**  
Service Area:  
Southern New Jersey,  
Maryland and Delaware  
856-228-2848



**Scott Whelan**  
Service Area:  
Connecticut, Massachusetts,  
New York and Rhode Island  
860-871-5954



John Rodgers, warehouse manager, back row, oversees the warehouse operations. The staff includes from left, Matt Sholley, machine maintenance technician; Jen Tolbert, shipping/data entry clerk; Rodgers; Kevin Null, Cameron Wilkinson, and Toby Bradbury, machine maintenance technicians. Bob Ommert, shipping clerk, and Howard Aldis and David Ulsh, machine maintenance technicians, were not available for the photo.



Above right, Bryan Hannan, national sales manager, is responsible for expanding MEMO's products into new states.



**Steve Halterman**  
Service Area:  
KY, Ohio, W.Va.  
937-349-2224





**Autumn Thomas**  
*Vice President, Pennsylvania Coupon Redemption Services and Special Projects*

## Pennsylvania Retailers Depend on PCRS for Coupon Processing

**P**ennsylvania Coupon Redemption Services, Inc. (PCRS), which has been in operation since 1956, is the association's oldest business service. It is also the largest retail coupon clearinghouse owned and operated by a retail association.

More than 800 retailers in Pennsylvania and adjoining states entrust their coupon processing needs to PCRS.

PCRS provides a competitively priced, superior quality redemption service that is geared toward meeting the needs of the independent food retailer. Features of the program include:

- Fast and accurate processing that uses innovative scanning technology;
- Prompt payment for the full face value and 8 cent manufacturer handling allowance for all coupons redeemed;
- Three payment plan options (two, ten and 20) working days for maximum convenience and flexibility;
- Reimbursement for inbound shipping and insurance;
- No service charges or volume minimums;
- Experienced and professional customer service support;
- A commitment to obtaining fair treatment for independent grocers in the complicated redemption process.

The profits earned from PCRS operations are returned to the asso-



*Pennsylvania Coupon Redemption Services staff members Peggy Tyra, accounts payable analyst, and Laurie Savoy, account manager, provide experienced and professional customer service and support.*

ciation to help offset the costs of other PFMA programs, providing members with added value for each coupon submitted for processing.



## Information Technology

# IT Ensures Smooth Operation of Association's Computer Systems

**T**he year 2003 brought a number of new business objectives to the forefront. The Information Technology department continues to explore new and better ways of accomplishing its primary goal which is to assure the smooth operation of the organization's computer systems, in order to better serve our members.

One of our primary objectives was to complete an upgrade of an internal computer system to allow us to more closely safeguard our email productivity. We instituted a sophisticated mail monitoring function that works with our desktop anti-virus program that together, offer full-scale protection against computer viruses.

Also, because business recovery continues to be on the radar screen for all corporations, PFMA continued this year to advance its plan. Our hot site location is now fully equipped with a backup telephone system to accommodate our telecommunications needs in the event of a disaster. We are able to utilize this upgrade during non-disaster times with smoother transfers of calls to our help desk, including voice mail functionality. Various types of disaster scenarios have been tested, with continued future tests planned.

The Information Technology group looks forward to the challenges that the coming year will bring, as we continue to look for new technologies to better serve the association and ultimately our members.

*The Information Technology team provides programming and systems support to PFMA and its business services. From left, Scott Thomas, programmer/analyst; and Chuck Harber, senior programmer/analyst.*



**Beth Mullen**  
*Vice President, Information Technology*

*Receptionist Vivian "Lou" Brashears provides a professional demeanor and pleasant smile to callers and visitors at the PFMA office in Camp Hill.*





# Finance Team Accepts New HR Role While Maintaining Credit Balance



**Karen Wilbert**  
Vice President, Finance

The Finance division was very busy in 2003. The Accounting department took on many new human resource responsibilities in 2003 due to the retirement of Sue Lentz, executive assistant. In order to accommodate the new functions, everyone in the department assumed new and expanded duties. Job functions were shifted so that all human resource functions are now handled in the Accounting (HR) department. If PFMA staff members need a form, have a general office question, need to change dependents/beneficiaries/name/marital status, or need to borrow from their 401K plan, Accounting is the department to go to.

They also handle all of the procedures for new hires and conversely, ensure that all of the proper steps are taken when employees leave. The department coordinates this information with all of the necessary outside vendors, such as pre-employment drug tests and physicals, insurance plans and COBRA.

In August, the department also completed another successful audit from the outside auditors, Mize, Houser and Co. Each year the department learns something new from the auditors that will make the next audit go just a little smoother.

The Credit and Collections department welcomed Laura Melfi to the department in June. Laura is a great addition and helps out where ever needed.

The Credit and Collections department completed several large on-going collection cases in 2003. These



cases were negotiated to a successful resolution by the department. This negotiating skill requires getting the maximum dollars with minimal expense. The department continues to explore new avenues of approving more applications to meet MEMO's objectives, while protecting MEMO's greatest asset, its accounts receivable.

In addition to collections, they processed more than 1,400 new applications for all PFMA business services. Included in the 2003 new applications were agents for PrePaid by MEMO. The department created and implemented additional front-end credit procedures for this new product.

The department also works very closely with the MEMO Compliance department. Together, they monitor the agent activity to determine if fraudulent activity is occurring. If this activity is detected, the department may make a decision to terminate the agent or at a minimum, send a sales representative into the agent's location to perform an audit.

The Accounting staff includes, from left, Wanda Tafun, staff accountant; Gail Bryner, accounting manager; Stacey Kropp, staff accountant; and Joyce Gnafakis, staff accountant assistant.

The Credit and Collections team includes, from left, Joan Brent, credit assistant; Laura Melfi, finance clerk; Dan Oliva, credit manager; and David Bush, credit analyst assistant.



## PFMA Endorsed Services

# Gleason Provides Quality Insurance Options

### Gleason Group of Companies – PFMA Endorsed Insurance Broker

Gleason Agency – Property & Casualty Insurance  
Gleason Financial – Employee Benefits & Financial Planning  
Gleason Technology, Inc. — GleasonESP

#### Gleason Agency

The Gleason Agency is the PFMA-endorsed property and casualty insurance broker. Headquartered in Johnstown, with offices in Pittsburgh, Philadelphia, and Harrisburg, Gleason is a full service commercial insurance broker providing competitive, customized insurance, safety and risk management products and solutions.

Gleason pioneered a specialty food division more than 20 years ago. Since then, Gleason has earned a reputation as the leading insurance broker for the food industry in the Mid-Atlantic region and one of six nationally recognized industry experts.

The Gleason Food Group, providing services to more than 500 supermarket and allied industry clients, is staffed with trained specialists who focus strictly on food related accounts including manufacturers, processors, wholesale distributors, retail chains, convenience stores and restaurants. Gleason's expertise in the food arena allows them to provide customized, value-added products that meet the unique needs of supermarket retailers and related food accounts.

The PFMA-endorsed insurance programs include property,

liability, workers' compensation, refrigeration breakdown, business interruption, crime, auto and underground storage tank coverages.

#### Gleason Financial

Gleason Financial, a Gleason Agency subsidiary, is the PFMA-endorsed insurance broker for employee benefits and financial planning programs. Gleason Financial's legacy of excellence and customer service has successfully helped many of its supermarket industry clients save money and improve their operations with quality, cost effective disability and benefit programs.

Gleason's approach to managing your benefit financial model is thorough, professional and creative. Gleason has developed Gleason EETrak, a data management tracking system that directs all client employees and family members to contact Gleason directly with claims, prescription, deductible and billing issues. Gleason manages and resolves the problems saving time for customer's human resources staff while providing a better, value-added and responsive service to employees. Gleason EETrak provides quarterly reports of activity to customers – an effective tool to manage their benefits programs.

Gleason Financial services also include both business and personal financial planning including business succession planning, executive compensation plans, qualified and non-qualified retirement plans, estate and wealth accumulation planning and investment services.



#### Gleason Technology

The newest member of the Gleason Group of companies is Gleason Technology, Inc. Gleason Technology, Inc., founded in 2002, is headquartered in Malvern and provides clients with cutting edge applied technology that permanently improves employee behaviors, facility cleanliness and operational consistency.

Gleason Technology's primary product is GleasonESP, groundbreaking electronic slip/fall prevention technology that allows management to create consistent store conditions across an entire chain. The product has proven to dramatically reduce the frequency of slip/fall incidents for supermarkets, grocery stores and other retailers, in some cases as much as 88%.

Gleason takes a leading role in the battle against costly slip/fall claims with the launch of GleasonESP, the industry's first electronic patented floor monitoring system.

It is the most efficient, effective, and affordable system ever designed to combat expensive and excessive claims settlements. Implementation of this unique program has proven capabilities to substantially reduce insurance premiums and improve bottom line costs for the retail grocery industry.

# We're Here To Help



## Association Contacts

### Administration

*President*

**David L. McCorkle**

### Association Services

*Senior Vice President,*

*Association Services Division*

**Randy St. John**

*Executive Assistant*

**Jamie Overmiller**

### Communications

*Director of Communications*

**Elizabeth Peroni**

*Food Industry Advisor Editor/  
Sr. Communications Specialist*

**Ed Conley**

*Advertising Sales Manager*

**Tom Cirino**

### Membership

*Member Database Specialist*

**Judy Chilcote**

### Government Relations

*Director of Government Relations*

**Jennifer Walker**

*Director of Association Services*

**Melanie Horvath**

*Communications/Information Specialist*

**Annette Chilson**

### Programs

*Scanning Certification Program*

*Manager*

**Autumn Thomas**

*Responsible Tobacco Sales*

*Certification Program Manager*

**Missy Wellington**

### Finance

*Vice President, Finance*

**Karen Wilbert**

*Accounting Manager*

**Gail Bryner**

*Credit and Collections Manager*

**Dan Oliva**

### Information Technology

*Vice President, Information Technology*

**Beth Mullen**

### Merchants Express Money Order

Company (MEMO)

*Vice President, Money Services*

**Tanya Butler**

*Compliance Officer*

**Kevin Lutkins**

*Operations Manager*

**Fred Johnston**

*Operations Manager*

**Terry Smith**

### Pennsylvania Coupon Redemption

Services (PCRS)

*Vice President, PCRS*

*& Special Projects*

**Autumn Thomas**

### Sales, Marketing & Facilities

*Vice President of Sales, Marketing &*

*Facilities*

**Hans Leyer**

*MEMO National Sales Manager*

**Bryan Hannan**

*Administrative Assistant*

**Becky Harner**

*Warehouse Manager*

**John Rodgers**

*Offices Located at:*  
**1029 Mumma Road**  
**Wormleysburg, PA 17043**

*Mailing Address:*  
**P. O. Box 870**  
**Camp Hill, PA 17001-0870**

## Call or email your association contacts...

*Phone:*

**717-731-0600 • Toll Free: 800-543-8207**

**MEMO Customer Service: 800-922-8079**

*Website Address:*  
**www.pfma.org**  
**www.memoco.com**

*General E-mail Address:*  
**pfma@pfma.net**  
**memoco@pfma.net**