The Pennsylvania Food Merchants Association is a statewide trade association representing more than 800 food retailers and affiliated businesses. Our members operate more than 3,500 food stores in the Commonwealth.

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OUR MISSION

“To improve the public image, effectiveness and profitability of companies in the retail and wholesale food distribution industry.”
CHAIRMAN’S MESSAGE

Exciting changes will make the association stronger in 2016

In my first seven months as your chairman, I’ve been working with Pennsylvania Food Merchants Association (PFMA) staff on exciting changes that will make the association stronger in 2016.

In 2015, PFMA and the Pennsylvania Distributors Association (PDA) formed a strategic alliance. As this annual report goes to press, PFMA is working out the final details to merge with PDA. Some PDA members are already our members and have common legislative and regulatory concerns. PDA’s Executive Director Jerry Kupris and Chairman Barry Margolis, Cooper-Booth Wholesale Co., will consult with PFMA President and CEO David McCorkle and Alex Baloga, PFMA vice president of external relations, to ensure a smooth transition for PDA members this year. In addition, several PDA board members will join the PFMA board to provide their input on the association’s legislative agenda, annual meetings and other activities. I am confident the addition of PDA will further unite the food industry and give the association a more powerful voice at the capitol.

On October 30, 2015, PFMA finalized the sale of its business subsidiary MEMO Financial Services, Inc. to Catalina Acquisitions, LLC, based in Irvine, California. The sale is great news for MEMO Financial Services agents, since the company will have greater financial support to further expand its product offering.

Catalina Acquisitions, LLC, established in 2010, is a holding company that owns several regulated financial service entities. They offer point-of-sale and web delivery of products for the underserved consumer, including money orders, money transfers, check cashing, bill payment, prepaid debit card servicing and mobile minutes.

PFMA’s board of directors approved the sale of MEMO during the annual board meeting in May. Catalina Acquisitions retained the 39-member staff and leases office space in the PFMA building at 1029 Mumma Road, Wormleysburg, Pa. PFMA and MEMO Financial Services have an endorsement agreement and the association continues to promote MEMO as the premier financial services provider for the food industry.

As a result of the sale, PFMA no longer receives the financial contribution from MEMO to offset operating expenses. To replace that income, we have developed the Corporate Leadership Program. PFMA staff and board members modeled the annual sponsorship after successful programs from food industry associations in neighboring states. We have asked our board members to work together to solicit their vendors to join and sponsor PFMA so that we may continue to offer the highest-level services to our members. We encourage all members to promote the association and urge your vendors to support PFMA’s legislative and regulatory efforts. Our work benefits the entire food industry.

Much legislative activity stalled in 2015 as the Governor and state legislators continued budget negotiations. However, we did see some important victories last year.

- **E-Cigarette and Other Tobacco Product (OTP) taxes in Philadelphia** — PFMA helped block a plan to impose a $2 tax on e-cigarettes.
- **Menu Labeling** — We successfully helped delay menu labeling rule implementation from December 1, 2015 to December 1, 2016.
- **Minimum Wage** — We prevented passage of bills on the state and federal level to increase the state minimum wage from $7.25 per hour to anywhere from $9 to $15 per hour.
- **GMO Labeling** — The association helped prevent legislation (SB 653 and HB 1170), which would have required labeling of all products with genetically modified ingredients.
- **Pharmacist & Pharmacy Intern Influenza Immunizations** — PFMA helped secure final passage of HB 182 which allows pharmacists and pharmacy interns to administer the influenza immunization to children ages nine and older with parental consent.

These are just a few of the issues PFMA worked on in the past year. Please review the government relations section of this report for more information.

PFMA is only as strong as the members who support it. Thank you to all the members who reached out to their lawmakers this year through meetings, letters, emails and phone calls. You helped lawmakers better understand the food industry’s view on legislation.

I encourage all members to take an active role in the association in 2016. Joining a committee, promoting the Ridge Scholarship, supporting FoodPAC and the corporate leadership program, attending a webinar, or talking to your legislator about an issue are all important ways to get involved and get the most out of your membership.

Thank you to the officers, board members and committee chairmen. I appreciate the input, ideas, time and financial support you provide to the association. You make PFMA’s collective voice strong and influential.

Paul Rankin
Country Fair, Inc.
LEADERSHIP

Chairman
Paul Rankin
Country Fair, Inc.

Vice Chairman
Jeffrey Brown
Brown’s Super Stores, Inc.

Treasurer
Richard Wood III
Wawa, Inc.

Secretary
Thomas Cormier
Ahold USA, Inc.

Sam Anderson
Pump n Pantry, Montrose, PA

Jim Bello
Bello’s Shurfine, Erie, PA

Carole Bitter
Friedman’s Freshmarkets, Butler, PA

Bill Bracey
Bill’s ShopRites, Covington Twp., PA

Ed Burda
Utz Quality Foods, Inc., Hanover, PA

Brad Chivington
Turkey Hill Minit Markets, Lancaster, PA

Don Conklin
Sunoco, Inc., York, PA

Michael Cotherman
McLane Company, Inc., Shippenville, PA

Dan Croce
Acme Markets, Inc., Malvern, PA

David Daniel
GetGo, Giant Eagle Express, Pittsburgh, PA

Joseph Della Noce
SUPERVALU, Inc., Mechanicsville, VA

Blaine Forkell
Wegmans, Inc., Allentown, PA

Scott Hartman
Rutter’s Farm Stores, York, PA

Dave Heisler
CoGo’s, Inc., Pittsburgh, PA

Richard Herrmann
Bozzuto’s, Inc., Allentown, PA

Tom Jamieson
Shop N Save & Save A Lot Stores, Uniontown, PA

Richard McMenamin
McMenamin Family ShopRites, Philadelphia

Dan McNabb
Castle Shannon Shop ‘n Save, Castle Shannon, PA

Chuck Miller
Ellis Coffee Company, Philadelphia, PA

Frank Puleo
C&S Wholesale Grocers, Robesonia, PA

Richard Russell
Giant Eagle, Inc., Pittsburgh, PA

Paul Sauder
R.W. Sauder, Inc., Lititz, PA

Gordon Seiber
Kellogg’s Convenience, Middletown, PA

Louie Sheetz
Sheetz, Inc., Altoona, PA

Joseph Tripi
TripiFoods, Inc., Buffalo, NY

Dean Walker
Boyer’s Food Markets, Orwigsburg, PA

Jonathan Weis
Weis Markets, Inc., Sunbury, PA

Teross Young
Food Lion, LLC, Salisbury, NC
Lawmakers need to receive a clear, unified message from PFMA

In addition to highlighting 2015 accomplishments and thanking members for their generous support, I will take this opportunity to stress the characteristic that separates average associations from great associations.

Last year I noted that Governor Wolf, the governor’s appointed executives and legislators needed to receive a clear message from PFMA members on issues like tax reform, adult beverage sales, tobacco taxation and others. PFMA’s Board of Directors, legislative committee members and motivated business leaders have done their best; however, our great challenge for the foreseeable future will be to find common ground between elected officials and stakeholders on the many complex public policy issues described in the annual report.

Your help in adding supporters to PFMA’s membership will satisfy several objectives. First, we need as many industry and consumer advocates that we can assemble to get the message out to elected and appointed officials. Second, the annual revenue needed by the organization must continue to grow to provide professional growth for associates and resources to meet expanding service requests. Finally, legislative and regulatory reform in the Commonwealth begins at the local level and every member can make a difference by educating your representatives about issues impacting your business, associates and customers.

On topics like proposed tobacco tax increases, eliminating the sales tax vendors allowance, food safety inspections, public pension reform, milk marketing board price hearings, adult beverage sale privatization and others described in this Annual Report, PFMA Directors and volunteer committee members develop the policy statements and implementation strategies. However, we need the help of every member to forcefully and efficiently deliver the message and to build relationships with legislators.

One objective in 2016 is to establish members operating in the districts of key house and senate leaders. Regularly scheduled meetings in the districts and events to support the leaders will be key components in reaching the next level in our legislation action program.

Special thanks to the following:

• MEMO Financial Services, Inc. is an endorsed PFMA program and I urge you to use the services of this PFMA endorsed company led by president Tanya Butler.

• OnDemand Energy is also a PFMA endorsed program serving dozens of PFMA members and the association. Please contact Cheryl Hefft at CHefft@ondemandenergy.com for a money saving energy delivery proposal.

• The Pennsylvania Distributors Association directors held joint meetings with PFMA directors in May and October of 2015. Thanks to the careful planning of PDA’s president Jerry Kupris, association volunteers and Alex Baloga we expect that the common interest of all members will be met by combining resources in 2016. Plan on attending the annual association meeting on May 10-11, 2016 at the Hershey Lodge and Convention Center to celebrate the mutual traditions of PDA and PFMA.

Finally, please join numerous PFMA members including Sheetz, ShopRite and The Fresh Grocer, Wawa, Weis Markets, Giant Eagle, Giant Food Stores and Wegmans to support Keep Pennsylvania Beautiful and the Great Pennsylvania CleanUp scheduled for March 1-May 31, 2016. Contact Shannon Reiter at sreiter@keeppabeautiful.org to take part in food industry supported community improvement projects.

On behalf of directors, members and staff associates, I thank you for your support in 2015 and for your future engagement in association programs and services.
Meet PDA and its Members

The Pennsylvania Distributors Association (PDA) will officially merge with PFMA during the 2016 Annual Conference on May 11, 2016. Here’s a look at the association, its goals and leadership.

The Pennsylvania Distributors Association is a statewide trade association of businesses distributing consumer products to retailers throughout this state and contiguous states. Its members distribute these products to the small retailer, grocery stores and chains.

Its member companies are comprised of the small “mom & pop” organizations which are family owned, medium-sized firms and large national companies. Their Pennsylvania sales are estimated at more than $7.5 billion.

The Association, which marked its 70th year milestone this year, helped its members become more efficient in their businesses, comply with state and federal laws and regulations and provided resources for its members to prepare themselves for the ever-changing business marketplace.

PDA members distribute such products as grocery items, health and beauty products, tobacco and confectionery products, snacks, automotive products and most items found in convenience stores and grocery stores.

The Association was at the forefront in passing and supporting the state’s “Unfair Cigarette Sales Act,” which established a level playing field for the sale of cigarettes, and is a leader in the “Youth Access” issue, establishing a comprehensive business approach to keeping cigarettes out of the hands of youth through education programs and collaborative efforts with other business groups, retailer customers and government.

For more than two decades the PDA and the Pennsylvania Food Merchants Association have worked together. At first in very informal ways. Communications and joint activities were cordial, but rare in those days.

Only a few years ago both associations embarked on a joint aggressive defense of issues of mutual concern, and we were so successful in these undertakings and outcomes that our working relationships were enhanced to the point that our boards of directors deemed it advisable, advantageous and profitable for each organization to seek a closer working relationship; hence last year the PDA and the PFMA entered into a strategic alliance, pledging support for each other’s programs and offering mutual aid and assistance in those areas.

Over time the groups learned that they shared common business goals and the interest in and engagement in undertaking joint efforts in this regard have led to an increased confidence and trust and respect for each other’s organizations.

The groups will officially unite during the annual conference, May 10-11, 2016 in Hershey, Pa. The resulting structure will maintain and expand upon our reach and effectiveness; augment our ability to be a resource of industry intelligence and knowledge, effectively utilize our current resources while developing new resources, and act as sound industry advocate of our positions before the public, governmental entities and our customers.

PFMA and PDA have common interests and we are pleased to welcome their members into the PFMA membership to create an even stronger, more influential trade association.
PDA Board Members (as of December 2015)

Chairman of the Board
Barry Margolis, Cooper-Booth Wholesale Company

Vice Chair
Gary McGuirk, Jr., Liberty USA, a division of Eby Brown

President/Secretary
Gerald P. Kupris, Esq.

Board Members
Jeff Allen, Allen Brothers Wholesale Distributors, Inc.

Stephen McAneny, McAneny Bros., Inc.
Lisa Silberman or Gary Gloeckl, A.J. Silberman & Company
Jonathon Resnick, Resnick Distributors
Christian Trate, W.A. DeHart, Inc.
Robert Fortunato, Team Sledd

Steve Moller, Keystone State Distributing
John Nasser, Obade Candy Company
Randy Silverman, Klafter’s, Inc.

Board Member Emeritus
Lee Silverman, Klafter’s Inc.

PDA board members, who are interested, will be offered a seat on the PFMA board of directors.
PFMA works to provide the highest level services to its members. Staff are constantly brainstorming to develop new ideas and programs that will assist members.

In addition to President and CEO David McCorkle, PFMA has nine staff members, who keep the association running effectively and efficiently.

In 2015, PFMA successfully fought harmful legislation, worked to get positive legislation implemented; gained new members; developed new educational programming and sold its subsidiary business, MEMO Financial Services, Inc.

Here are some of the highlights from 2015:

**New Members**
Gary Lauer joined the association as director of membership development in February. Lauer traveled the state in 2015 to meet current and potential members and provide information about PFMA’s services and government relations work. He met with wholesaler ad groups and individuals and attended trade events to make presentations about PFMA. Senator Leslie Acosta also arranged a meeting with staff and members of the Dominican Grocers Association in Philadelphia to let them know about our services. In 2015, 15 new associate members and 20 retail members joined the association.

PFMA regularly communicates issues and events to members through email blasts and by posting on our website at www.pfma.org.

In 2015, PFMA became even more active on social media, regularly posting industry-related articles, events and meetings on Facebook and LinkedIn.

We encourage all members to check out our social media and website postings to ensure that you are up-to-date on the issues that may impact your business.

**Communications**
PFMA continues to produce a monthly newsletter, *Spectrum*, which provides legislative and regulatory coverage as well as articles and photos from member anniversaries, store openings and other events.

The association publishes a yearly membership directory listing all members with a buyer’s guide listing of associate members.

**Thomas R. & Laura Ridge Scholarship Fund**
All PFMA members, their children and employees are eligible to apply for the Thomas R. and Laura Ridge Scholarship. In 2015, PFMA received 150 applications, which were evaluated by an independent judging panel. In April, 24 Ridge Scholarships and one Weis Markets Scholarship were awarded from the Ridge Fund. The $2,000 scholarship can be used at the college or university of the students’ choice.

Since its inception in 1996, 563 students have received Ridge Scholarships. Industry supported dinners raised enough money to create an endowment for the fund. In addition, PFMA members continue to voluntarily donate to the fund with their annual membership dues payment.

The Ridge Fund is named in honor of former Pennsylvania Governor Tom Ridge’s parents. His father, Thomas R. Ridge, worked in the food industry for 25 years, and his mother, Laura, was a strong advocate of education for Tom and his siblings David and Vikki.

PFMA encourages all members to advertise the Ridge Scholarships to their employees. Posters and applications are available on our website at www.pfma.org.

Members who would like to establish a scholarship for their company can do so through the Education Trust. By making a tax-deductible gift to the trust and designating that the funds be used to provide scholarships to your own employees or their children, the Education Trust serves as a vehicle for making tax-free scholarship awards.

When PFMA convenes its Ridge Scholarship judging panel in April, an independent judging panel selects scholarship recipients for your company.
Annual Conference
For the second year in a row, PFMA members gathered at the Omni Bedford Springs Resort for the Annual Conference, May 12-13, 2015. The event kicked off with a day on the links at Bedford Spring’s beautifully restored Old Course.

Members honored the work and support of PFMA Chairman Rich McMenamin, McMenamin Family ShopRites, who completed his two-year term as chairman of the board, during the dinner. Jeff Reagan, senior vice president of Marketing, Wakefern Food Corporation introduced McMenamin, who operates two ShopRites in Philadelphia. Reagan and Paul Rankin, PFMA vice chairman and incoming chairman, presented him with a gift and shopping bag keepsake.

Reagan also shared Wakefern’s vision for the future, including insights into consumer shopping habits.

The May 13th programming began with omelets for breakfast, served by Paul Sauder and Brad Schultz from R.W. Sauder, Inc., and coffee provided by Chuck Miller, Ellis Coffee Company. Thank you to both companies for your generous support of PFMA.

The morning session kicked off with reports on the state of the supermarket and convenience store industries by national association presidents, Leslie Sarasin, president and CEO of the Food Marketing Institute (FMI); and Hank Armour, president and CEO of NACS — the association for convenience and fuel retailing. Topics they discussed included the Affordable Care Act, data security, menu labeling, 40-hour work week, and swipe fees.

Later, Armour and Sarasin joined Jerry LeClair, vice president of sales, marketing and merchandising for Giant Eagle; and Joe Sheetz, president and CEO of Sheetz, Inc., for a discussion on “The Future of the Food Industry” led by Meg Major, chief content editor, Progressive Grocer magazine.

Sarasin expects government regulations to continue to intrude into businesses. She emphasized the need for fair, uniform regulations. Armour said state organizations are the first line of defense against this activity.

Sheetz said changing consumer tastes are creating a culture of innovation and total menu development within his stores. According to LeClair, Giant Eagle is utilizing customer relationship marketing programs to determine what its customers want, how they shop, how products should be positioned in the store and promotion frequency. Finding good people to operate their stores is a concern for both retailers. Both companies noted that developing a strong offer, leadership development and promotion from within the company are keys to attracting quality associates.

PFMA finished the conference with annual meeting and board meeting.

Fall Board Meeting
PFMA and Pennsylvania Distributors Association held a joint meeting on October 20-21, 2015 at the West Shore Country Club in Camp Hill, Pennsylvania. The event featured a day of golf on the club’s championship golf course, dinner with special guest speakers from the Convenience Distribution Association. Anne Holloway, vice president of Government Affairs, and Dirk Smith, director of state Government Affairs, updated attendees on legislative and regulatory issues impacting the industry.

The second day featured separate meetings for each group and a combined board meeting, where the group discussed a merging in 2016. Guest speakers included John Baer, columnist, Philadelphia Daily News and The Honorable Mike Stack, Pennsylvania lieutenant governor.
ASSOCIATION SERVICES

Webinars
PFMA began what it hopes will be a permanent service in years to come: Adding educational value via webinar. Webinars are aimed at those that wish to participate in PFMA educational programs, but cannot justify costs for travel and attendance.

The first four PFMA webinars in 2015 were:
- In June, Lynn Szybist of the implementation team for the upcoming FDA menu labeling regulations presented the first webinar to help PFMA members understand the regulations. The regulations, which are required as a part of the Affordable Care Act, are scheduled for implementation on December 1, 2016.
- Szybist discussed the requirements of the regulations, and the Department’s enforcement strategy going forward. She took time following the webinar to address member questions and concerns.
- In September, PFMA member FMS Solutions presented a webinar entitled The 2015 Independent Grocers Financial Survey. On this webinar, Mark Ehleben of FMS summarized their survey findings, including the economic, operational and political conditions driving the business landscape, as well as operational benchmarking and how it affects financial performance. Attendees were instructed on the differences between middle of the road operators and those considered best in class.
- In October, Luis Moya from PFMA associate member Rubbermaid Commercial Products presented Improving Safety and Well-Being While Enhancing Store Image. The presentation provided information regarding safety issues and workers’ comp within the workplace. Luis addressed areas of concern for safety and well-being within grocery stores and the solutions available to positively impact these issues.
- In November, Bill Alford of International Lighthouse Group presented Protecting the Bottom Line — A Loss Prevention Webinar. This webinar covered the three most common areas of theft and loss in supermarket operations: Shoplifting, employee theft and vendor theft. It also gave participants the best practices and low cost “real world” tools that are used by independent supermarket operators to curb shrink and theft.

These are the beginning of a series of webinars. PFMA plans to continue this practice with webinars focusing on resolving personnel issues, background checks, security and other varied topics in 2016.

Boyer’s Food Markets Takes Home Second Pennsylvania’s Best Bagger Championship
Brandyn Leeson, a bagger from Boyer’s Food Markets in Berwick, won the company’s second Pennsylvania’s Best Bagger Championship in a row on October 22 in Harrisburg. He won $250, a championship trophy and a trip to compete at the national contest in February 2016. The 14 contestants represented Boyer’s Food Markets, Bracey’s ShopRites; Giant Eagle, Henning’s Market, McMenamin Family ShopRite and Pittsburgh St. Shop ‘N Save, Greensburg.

Thank you to all the companies who participated in this fun event to recognize hard-working associates at the front end. Thanks to all who sent their baggers and cheering sections to the contest.

Our thanks to judges Mary Bach, a nationally recognized consumer advocate, and Mark Platts, a marketing teacher at Dauphin County Technical School; and to our emcee Alicia Richards, ABC27 News. In addition, thank you to the students from Dauphin County Technical School who assisted.
Since 1991, the Scanning Certification Program (SCP) has helped participating retailers provide price accuracy and appropriate pricing information to consumers in Pennsylvania and surrounding states.

The SCP is a voluntary price accuracy program whose purpose is to help participating stores maximize the performance of their internal price integrity practices. In other words, to ensure that the prices of all items for sale in the store are clearly identified to customers and that shoppers are charged the corresponding lowest advertised price at checkout.

The SCP provides public recognition to stores that achieve and maintain a high level of price integrity. Adherence to program standards helps prevent overcharges that erode consumer confidence and undercharges that cost stores money. Certified stores also fulfill the Pennsylvania state requirement of Act 155 and Act 169 for the annual inspection of checkout scanning systems.

Guidelines of the SCP’s best practices module require stores to adopt and advertise a price accuracy policy, provide employees with price accuracy training, document and correct errors promptly and ensure that shelf tags are accurate and legible.

SCP auditors conduct periodic unannounced in-store inspections to test price accuracy and measure compliance with program standards. Certification is awarded to stores that have implemented program requirements and achieve a price accuracy score of at least 98 percent on a random sampling of items.

An inspections-only module is also available for retailers who desire to have the SCP provide only price accuracy testing and reporting. Adoption of SCP best practices is optional, but the price accuracy inspection techniques, scoring criteria and inspection intervals are the same for both the best practices and inspections-only tracks of participation.

The program has grown significantly over the past 23 years. Membership has increased from ten study participants in 1991 to 1,031 supermarkets and convenience stores today. Our seven inspectors performed 1,150 inspections last year, an 11 percent increase over fiscal 2014. And our footprint will increase again in 2016 with the addition of approximately 70 new Acme stores that were recently acquired from A & P.

Most importantly, the SCP is meeting its core objective of helping its members enhance their price accuracy. Supermarket accuracy rose from 96.90 percent in 1991 to 98.80 percent in 2015. Convenience stores made strides too — improving overall average accuracy to 97.05 percent since 2000.

Price accuracy performance remains very store and, to a lesser extent, company specific — results are highly dependent on how well store-level employees understand and follow price integrity policies and procedures. SCP retailers and staff continue to work hard to achieve the highest level of price accuracy and, when necessary, address price accuracy problems that occur.

The SCP is a not-for-profit entity, led by a volunteer board of advisors and with management support from PFMA. All financial objectives were met in 2015, enabling inspection fees to be kept at their current level for the upcoming year. The fees paid by SCP members fund our entire operation and we’re appreciative of our clients’ continued support.

For more information, contact Autumn Thomas, executive director, at 888-722-6727 or email her at athomas@pfma.net.
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.

Edward D. Arnoldi
Pennsylvania Association of Weights and Measures

Mary Bach
Consumer Advocate

Murray Battleman
Richboro Shop ‘n Bag

Michelle Dorin
Weis Markets, Inc.

Dean Ely
Pennsylvania Association of Weights and Measures

Dr. Drew Hyman
Pennsylvania State University

Ric LeBlanc
Pennsylvania Office of Attorney General

David McCorkle
Pennsylvania Food Merchants Association

Kevin Mullen
SUPERVALU, Inc., Eastern Region

Peg Rhodes
United Food and Commercial Workers

Pattie Shekiro
Acme Markets

Steve Swan
Retalix

Autumn Thomas
SCP Executive Director
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GOVERNMENT RELATIONS

With the strong support of PFMA members, 2015 was another successful year for the association. PFMA was successful in getting a number of bills passed that were of importance to members, but was equally successful in preventing measures that would have damaged members’ bottom lines.

STATE
The Budget
The 2015/16 budget as proposed by Governor Wolf contained several provisions that would have caused significant financial harm to PFMA members and their customers:

- The Governor proposed a sales tax for property tax swap, where sales tax would rise from six percent to 6.6 percent, and would expand to other goods and services. Food, clothing and prescription drugs were still exempted.

- Income taxes were proposed an increase from the current level of 3.07 percent to 3.7 percent.

- The Vendor Sales Tax Allowance, which allows vendors that collect sales tax to retain one percent of all tax collected, was proposed to be capped at $25 per month.

- A five percent severance tax was proposed for natural gas extraction, in addition to a 4.7 cent tax per 1,000 cubic feet of gas.

- Cigarette taxes were proposed to rise by one dollar per pack, and loose tobacco, cigars and roll-your-own tobacco were proposed a 40 percent tax.

- Minimum wage was proposed to rise from $7.25 per hour to $10.10 per hour.

The effort to swap sales taxes for property tax reduction was one of the few issues that the Republican-controlled legislator and Democratic Governor Wolf could agree. They could not agree on the details, though. Senate Bill 76, which PFMA opposed, received a full Senate vote and came to a tie, and the tie breaking nay vote by Lieutenant Governor Mike Stack defeated the proposal.

The proposed 2015/16 budget was greeted negatively by Republican leadership in the legislature. The legislature delivered a scaled-down proposed budget before the July 1 deadline, but Governor Wolf vetoed it in its entirety, stating that the budget did not balance and did not provide additional spending, especially in educational line-items, to the level that he expected.

In spite of several attempts at compromise, the Governor was unable to convince rank-and-file Republican members, particularly in the House, to pass the budget to the levels that he desired. In December, the Governor line-item vetoed the legislature’s budget, providing funding for certain programs but denying it for others. 2015 came to an end without a full-year budget for fiscal year 2015/16.

PFMA was extremely active in working closely with its membership, legislators and staff to push back against the harmful provisions included in various budget proposals. These budget issues will likely resurface in the 2016 budget debate.

Beer, Wine and Liquor Reform
House Bill 466 passed the House of Representatives in February, and was sent to the Governor during budget negotiations. It was vetoed along with the budget.

HB 466 would have created an avenue for enhanced and expanded grocery beer and wine licenses, albeit an expensive license that would preclude many independent operators from qualifying. It also put in place a process for the gradual phasing-out of state run wine and liquor stores. It contained a provision that disallowed stores that sell gas within a specified distance of the store from selling alcohol, which would prevent most convenience stores from purchasing a license.

PFMA was neutral on HB 466, as it benefited some members but prevented others from participation. During the debate on this issue PFMA continued to advocate for its membership and the inclusion of new licenses for its members to sell beer, wine and spirits, in any quantity, in any location of their choosing.
The PFMA Legislative Committee discusses issues such as the impact of the annual state budget proposals and negotiations, adult beverage sales, tobacco and OTP issues, interchange fees, vendor sales tax allowance, fresh food financing, GMO and menu labeling, lottery sales, paid leave, property tax reform, SNAP funding, sustainability issues and more. The group includes Philadelphia and Alcohol Sales Task Force subcommittees.
GOVERNMENT RELATIONS

STATE
Other Initiatives
In the shadow of the budget, PFMA was successful in getting several other of its legislative priorities passed:

- **House Bill 75** was an issue of importance to PFMA members with in-store pharmacies. It requires out-of-state pharmacies to register with Pennsylvania before filling prescriptions for Pennsylvania residents, and requires that the pharmacy’s operating license be in good standing with its home state; PFMA supported this legislation. It was passed by the legislature and signed by the Governor in November 2015.

- **House Bill 471** would remove the ethanol blending mandate for Pennsylvania fuel. PFMA supported this legislation. It passed the House in November, and is currently awaiting Senate committee consideration.

- **House Bill 182** gives pharmacists and approved pharmacy technicians the ability to administer the influenza vaccine. PFMA supported this legislation. It was passed by the legislature and signed by the Governor in July 2015.

- **Senate Bill 333** would preempt local paid and unpaid leave requirements. PFMA supports this legislation. It passed the Senate in April, and is currently under House consideration.

- PFMA successfully advocated for language in the Fiscal Code that would increase the minimum markup for cigarette sales from six percent to seven percent. But with the failure of the budget to pass, the fiscal code was not passed with it. It will continue to be a priority item for PFMA in 2016. This language is also represented in SB 691 which is awaiting a vote for final passage in the State Senate.

- PFMA was successful in preventing several bills requiring labeling of all food products containing genetically modified organisms (GMOs) from consideration.

- In April, the Pennsylvania Department of Human Services announced that they would no longer require an asset test when determining eligibility for Supplemental Nutrition Assistance Program (SNAP). The asset test, implemented under the Corbett administration, was considered more costly than the savings it produced, and difficult to administer. PFMA supported this change.

FEDERAL
Menu Labeling
In response to a provision in the Affordable Care Act, the U.S. Food and Drug Administration (FDA) published final regulations regarding the labeling of calorie counts on menu boards. The regulations apply to restaurants and establishments that serve “restaurant-type foods” and are part of a chain of 20 or more locations.

Restaurant-type foods are defined as foods either served in restaurants or other establishments where food is served for immediate consumption or which is sold for sale or use in such establishment, or processed and prepared primarily in a retail establishment and offered for sale to be consumed elsewhere and which is not offered for sale outside such establishment.

Applicable locations would be required to:
1. Disclose calorie information on menus and menu boards for standard menu items.
2. Post a succinct statement concerning suggested daily caloric intake on menus and menu boards.
3. Disclose calorie information on signs adjacent to foods on display and self-service foods that are standard menu items.
4. Provide written nutrition information upon consumer request.
5. Post on menus and menu boards a statement that written nutrition information is available upon request.

PFMA is opposed to these regulations, as they are overly punitive and contain many ambiguities that will make compliance difficult, especially for stores that provide maid-to-order food. In response to industry concern, as a part of the Omnibus Spending Bill of 2015, Congress delayed implementation of these regulations from December 2015 to December 2016.

PFMA supports legislation, the Common Sense Nutritional Disclosure Act, which would lessen penalties for stores that are found to make a good-faith effort towards compliance and address many of the gray areas in the regulations. The legislation was passed by the U.S. House in 2016, and is currently under consideration in the U.S. Senate.
GOVERNMENT RELATIONS

FEDERAL

Tax Extender Passage
PFMA was active in cooperation with its national partners in assuring that certain measures were included in the omnibus federal spending bill, passed in December. Among the tax extenders included in the bill were:

- The expensing limitation and phase-out amounts at the 2010-2014 levels ($500,000 and $2 million, respectively).
- Rules allowing for expensing for computer software and qualified real property are also permanently extended.
- Bonus depreciation through 2019.
- The provision for contributions of inventory of wholesome food for non-corporate business taxpayers.
- The 15-year recovery period for qualified leasehold improvements, qualified restaurant property and qualified retail improvement property.
- The Work Opportunity Tax Credit for five years through 2019.
- The New Markets Tax Credit for five years through 2019 and allocates $3.5 billion of credits for each of those five years.

In addition to the tax extenders listed above, the spending bill also contained several provisions of which PFMA was supportive:

- Repeal of Country of Origin Labeling (COOL) for muscle cuts of beef and pork.
- Delay of the ACA Cadillac tax.
- A one year delay of the FDA menu labeling rule.
- The Cyber Information Sharing Act (CISA), which would direct the federal government to develop procedures to promote the timely sharing of classified cyber threat indicators and defensive measures with private and federal entities.

Voluntary GMO Labeling
PFMA and its national partners helped advance a federal voluntary GMO labeling solution in the form of H.R. 1599, the Safe and Accurate Food Labeling Act of 2015. This legislation passed the U.S. House in July 2015 by a vote of 275 - 150 and awaits further action in the U.S. Senate.

Federal Regulations
PFMA actively worked with its national partners to oppose several of harmful proposed regulations, including:

- Department of Labor changes that would increase salary thresholds over which employers would be required to pay overtime.
- The National Labor Relations Board joint employer decision that would hold parent companies partially responsible for the labor violations of franchisees.
- Environmental Protection Agency regulations which have proposed stringent new Clean Air Act standards that would pose a threat to Pennsylvania’s energy future.
- National Labor Relations Board Union Ambush Election Rule which would allow unions to arbitrarily select the window for a vote without a preparatory warning to its members, and would require employers to release personal employee information to unions.

LOCAL

Pittsburgh Paid-Leave Requirement
The City of Pittsburgh passed a requirement that all employers within the city be required to provide paid leave at a prescribed hours-offered per hours-worked level. The measure received significant union support. PFMA opposed this ordinance and unsuccessfully advocated against its passage.

Upon passage, PFMA supported a lawsuit filed by the Pennsylvania Restaurant and Lodging Association (PRLA) and several local PRLA members, claiming that the City had overstepped its limited home-rule charter. The lawsuit was decided in the industry’s favor in early 2016, voiding the law. The city has appealed that ruling.

Pittsburgh Letter-Grading Proposal
The local health department in the City of Pittsburgh proposed a grading policy that would assign letter grades to restaurants and other regulated eateries, based on cleanliness. PFMA opposed this measure, as letter grades would cost businesses customers based on what could be considered an arbitrary ruling that could not be amended without future inspections. The measure was overruled by City Council.
Milk Marketing Board Update
Pre-Order Conference Official General Order A-992: Over Price Premium Hearing

The Milk Marketing Board held a pre-order conference for Official General Order A-992 on November 4, 2015. This order addresses the petition filed by the Greater Northeast Milk Marketing Agency (“GNEMMA”) to eliminate the over-price premium and institute a cooperative premium. The petition sought to allow certain costs incurred by cooperatives to be recovered as part of the wholesale and retail price buildup.

The cooperatives argued that they incur costs that are identical to Dealer costs and thus should be recovered through the minimum price mechanism. The Milk Marketing Board denied the petition stating that the costs presented by the cooperatives were too unreliable. Order A-992 states that the Board will establish regulations relating to the collection of cooperative cost data that is similar to milk dealers.

During the Sunshine meeting on November 4, 2015, the Board changed the day of the price announcement for December from Thursday, December 24, 2015 to Thursday, December 17, 2015.

Chief Counsel indicated that the board discussed the avian flu impact on milk pickups and that no official action was taken.

LOCAL (continued)

Philadelphia Cigarette Sales Restriction
In October, Philadelphia Mayor Michael Nutter, with the assistance of Councilperson Marion Tasco, introduced an ordinance in City Council that would prohibit cigarette sales in any business that sold prescription drugs or offered health care services. PFMA strongly opposed this legislation, and it was removed from consideration shortly after its introduction.

Philadelphia E-Cigarette Tax
In late 2014, a tax equaling that for regular cigarettes was introduced for sales in Philadelphia city limits. PFMA opposed this measure, and it was removed from consideration in early 2015.

Philadelphia Papal Visit
PFMA was very active on this issue. Staff hosted two conference calls with Philadelphia officials in preparation for the Papal visit in September. Participating were Deputy Mayor Al Greenberger and his Chief of Staff, Luke Butler, who detailed security measures in preparation for the visit and responded to member concerns.

Philadelphia Paid Leave Requirement
City Councilman William Greenlee’s bill which calls for Philadelphia employers with ten or more employees to provide their workers with paid sick leave, was signed into law on in February 2015 by Mayor Michael Nutter. The bill requires all applicable employers to provide employees with one hour of paid sick leave for every 40 hours worked, up to a maximum of 40 hours or five days a year. PFMA opposed this ordinance and is working with its State partners to establish a local leave preemption to address this issue in other municipalities going forward.
COMMITTEE RECAP

PFMA Food Protection Committee
The PFMA Food Protection Committee met twice in 2015. During its June meeting, Dr. Lydia Johnson of the Pennsylvania Department of Agriculture (PDA) joined the group to share details about the State Rapid Response Team in the event of a food emergency. PDA's Derek Ruhl also discussed the state's response plan for High Path Avian Influenza, which has caused serious egg shortages in Midwestern states. The committee also discussed the menu labeling regulatory requirements, which had been recently released by the Food and Drug Administration.

In the November meeting, Dr. Troy Ott of Penn State joined the group to present on the science of genetically modified organisms (GMOS) and how retailers can address customer concerns about GMOS in food. Dr. Steven Taylor of the University of Nebraska, who leads the Food Allergy Research and Resource Program joined the committee meeting via webinar. Dr. Taylor instructed the group on food allergy prevalence and how stores can be responsive to customers with food allergies. Finally, Paul Flanagan from the Food Safety Inspection Service (FSIS) led a discussion on the inspection and recall procedures for FSIS.

PFMA Loss Prevention Committee
PFMA held two Loss Prevention Committee meetings in 2015. The first was held in March at PCPA’s office. At this meeting, Pennsylvania State Trooper Michael Peterson presented his findings during a recent coupon fraud ring that he investigated. Adam Nowicki, Wegmans, shared his presentation on retail theft law that he presented to the Association of District Attorneys. While, Ronald Plesco of the accounting firm KPMG presented “How to Handle a Digital Disaster,” a response guide to online hacks and methods to detect and prevent future invasions.

The committee held its second meeting in October on the campus of St. Joseph's University. At this meeting, Agent Donetta Spears, diversion program manager, Philadelphia FBI regional office, discussed drug diversion, trends and the regulatory requirements of stores with pharmacies. Stefanie Mangiante and Sean Huggins of CVS presented on the Organized Retail Crime Alliance, a group of businesses in the Northeast that share data on retail theft with the goal of identifying thieves and aiding law enforcement with apprehension.

PFMA Fuels Committee
The PFMA Fuels Committee met in November 2015. Rick Burgan and Amy Steiner from the Underground Storage Tank Indemnification Fund (USTIF) made presentations. USTIF is undergoing a transition to electronic reporting, and Burgan and Steiner discussed the information that they are collecting, and what stations can do to ease the transition. Paul Miller of the Environmental Protection Agency (EPA) also joined the meeting. Mr. Miller discussed EPA's upcoming tank revisions, which involve more stringent testing for secondary containment and leak detection equipment.
PARTNER COUNCIL — DFIC

Delaware Has Many Legislative Accomplishments

The Delaware Food Industry Council (DFIC) is the only statewide trade association for the food industry. The council represents nearly 80 percent of the supermarkets, pharmacies and convenience stores in Delaware. In addition, this year marked the 4th year for the Delaware Association of Chain Drug Store Council. The group represents 137 of the 160 pharmacies in the state of Delaware.

Delaware’s 148th General Assembly wrapped the end of its first half on June 30. After months of negotiations and debates, the legislature passed a funding plan for Governor Markell’s infrastructure initiative. The plan will fund infrastructure renewal through increased DMV fees. The increased fees at the Division of Motor Vehicles will generate $24 million in annual revenue for Delaware’s Transportation Trust Fund, which pays for road and bridge improvements. Lawmakers used $31 million in proceeds from financial crisis-related settlements with the rating agency Standard & Poor’s, Bank of America and Citigroup to balance funding priorities. The money helped cover $15 million in expenses in Delaware’s capital budget — $2 million to help prevent cuts to fire companies and senior centers and $3 million for farmland preservation, among other costs.

The legislature took action on several bills, including the following:

**Decriminalization of marijuana (HB 39)**
The bill decriminalized possession and private use of marijuana and reduces the punishment for possession of up to an ounce of marijuana to a fine of no more than $100. It is still a criminal offense to use the drug in a public space or while in a vehicle and it is still illegal to sell.

**Immigrants permitted to obtain driving privilege cards (SB 59)**
This bill allows undocumented immigrants to gain driving privilege cards in order to make the roadways safer. Immigrants must now meet the requirements necessary to get a license, such as proof of insurance and passing the driving exam.

**Prevailing Wage Rates (HB 145)**
This bill raises the prevailing wage rate contract threshold amount from $100,000 to $500,000 for new construction and from $15,000 to $45,000 for alterations, repairs, renovations, etc. Also the bill establishes a set prevailing wage rate and eliminates the need for an annual survey in certain situations.

Over the course of the 12-hour session finale, lawmakers in both chambers passed dozens of pieces of legislation, but June 30 this year was all about the headliners; the budget, bond and Grant in Aid bills. All three were among the final bills approved, creating a tense atmosphere throughout Legislative Hall for most of the marathon session.

The Fiscal Year 2016 budget calls for an increase in spending of about 2.6 percent. The bond bill, which funds road and school construction projects, totaled $456 million. The last of the three to be approved was the $43 million Grant in Aid bill. Grant in Aid supports non-profit organizations in arts and culture, family and youth services, and veterans. It also funds Delaware’s volunteer fire companies.

**Plastic bag bill (HB 202)**
A plastic bag bill, sponsored by Rep. Hudson, was introduced in the last three days of session and will be worked in 2016. This bill puts a 5-cent fee on both paper and plastic one-time use bags. The full 5-cents remains with the retailer.

**Stage II Regulations**
DFIC actively worked on Stage II regulations for its gas station members in 2015. The Council reached a consensus with DNREC to pilot four stations for one year.

**Minimum Wage**
DFIC successfully pushed off a $10.10 minimum wage effort by the Senate. We fully expect to see the bill resurface in early 2016.

DFIC accomplished many things in the last decade including:
- Delaware is the first state to create a dedicated prosecutor for retail crime.
- First plastic bag bill in the country that had a preemptive measure, so that each county and municipality could not impose different laws affecting bags.
- Civil recovery — DFIC created and passed a selling stolen property charge and an organized retail crime bill which became model legislation for other states to use.
- SNAP benefits for felons and the expansion of SNAP benefits to a 25-day cycle as of March.
- Gross receipt tax reform
- A three-tiered system for travel restrictions during a state of emergency.
- Monitored the regulatory process for online gaming
- Passed a pseudoephedrine bill that helps prevent smurfing in Delaware.

One of our biggest accomplishments to date is being the first state in the country to repeal of a bottle bill. We are so proud to have helped the Governor and legislators create and then implement a statewide recycling program that brought single stream curbside recycling to a reality, thereby ending the bottle deposit fee. We have increased our diversion rate from 22% to 42% and we are beating the national average diversion of 36%.
DFIC Board of Directors

Chairman
Rich Kenney
Kenney Family ShopRites
Wilmington, DE

Vice Chairman
Paula Jannsen
Jannsen’s Market, LLC
Greenville, DE

Treasurer
Craig Clarke
Walgreens, Inc.
Delaware

Secretary
Lorelei Mottese
Wakefern Food Corporation
Edison, NJ

Stacey Brown
Safeway, Inc.
Lanham, MD

Tom Cormier
Ahold USA
Carlisle, PA

Danielle D’Elia
Acme Markets, Inc.
Malvern, PA

Karen Sisson
Walgreens, Inc.
Delaware

Ellen Valentino
Del. Beverage Association
Annapolis, MD

Rich Wood
Wawa, Inc.
Wawa, PA

Teross Young
Food Lion, LLC
Salisbury, NC

DFIC Executive Director
Julie Miro Wenger
juliemirowenger@gmail.com
302-545-8305

4 Cabot Place
Wilmington, DE 19711
DFIC Announces Awards and 2016 Priorities

For 2016, the DFIC’s legislative goals include, allowing our customers the convenience of being able to shop and purchase beer and wine in our stores. Last session, the legislature unanimously passed a plastic bag bill that would continue the at-store recycling program for another three years, but there is legislation already introduced that places a fee on both paper and plastic. DFIC will be a resource leader when it comes to food waste and will help create solutions to this ever increasing challenge. In addition, the Council will help push for Pharmacist Provider status and will continue to be engaged in legislative and regulatory conversations that effect our industry.

**DFIC Winterfest and Awards**

The Delaware Food Industry Council hosted its annual Winterfest event on Monday, December 4, 2015 at the Christiana Hilton in Wilmington, Delaware. More than 100 people attended the holiday event, where Executive Director Julie Miro Wenger presented awards for Retailer of the Year, Advocate of the Year, Pharmacist of the Year and Partnership of the Year. In addition, David McCorkle, PFMA president and CEO, received the first Don Holst Lifetime Achievement Award. Holst was a respected pharmacy manager for Walgreens, who passed away suddenly this past year. McCorkle was presented the award for his work to create the DFIC and mentoring the board chairman.

**Advocate of the Year**

David Small, Cabinet Secretary of Department of Natural Resources and Environmental Control (DNREC), takes the approach of helping to identify problems that the industry is facing and works on a solution for the greater good and benefit of all.

As chief steward of Delaware’s environment, Secretary Small protects and manages Delaware’s nature resources; provides quality outdoor recreation and protects public health and safety. Secretary Small leads seven DNREC Divisions — Air Quality, Waste and Hazardous Substances, Fish and Wildlife, Parks and Recreation, Water, Watershed Stewardship, and Energy and Climate. He serves as chair of the Governor’s Cabinet Committee on Climate and Resiliency, leading the state’s effort in preparing for emerging climate impacts.

DFIC selected Secretary Small as Advocate of the Year because he is accessible, approachable and always willing to listen to another point of view. He is interested in hearing about how legislation and regulations can impact doing business in Delaware, and he has proven that working together is always better than working in silos.

**Advocate of the Year**

Walter Beck, a pharmacy manager for Giant Food, is a community staple in Rehoboth. His caring, professional demeanor transcends into great customer relationships that encourage better living for all. He participated in the NACDS RxImpact Day on Capitol Hill, an effort by 70 leaders from 25 states to “Take a Stand for Better Healthcare,” which helped educate Members of Congress about the importance of pro-pharmacy policy and the need for better healthcare reform. On the local level, he and his wife are steadfast volunteers aiding and rescuing farm and domestic bred animals. Walter Beck exceeds expectations when it comes to delivering great results from his people.

**Advocate of the Year**

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**Left, Walter Beck, Giant Pharmacy, accepts the Pharmacist of the Year award.**

 Secretary David Small, Delaware Department of Natural Resources and Environmental Control, accepts the Advocate of the Year award.
Ellen Valentino, executive director of the Delaware Beverage Association, received the partnership of the year award. She is a friend, advisor, advocate and an asset. She has helped craft a path forward and a strategy on many issues our industry has faced over the years.

As the representative for the Delaware Beverage Association, Valentino is at the table and working behind the scenes on issues that have helped our companies stay competitive in Delaware. She partnered with DFIC to help craft and then implement the bottle bill that became a comprehensive curb-side recycling bill. She was also instrumental in helping thwart detrimental effects from online gaming, and she has been the industry champion for Stage II regulatory work and is always monitoring sugary tax laws.

Valentino recently said “Political times have changed and political networking — from the municipal government to the federal legislature — is critical to the success of any legislative agenda.” She effectively uses her networking and grass-roots expertise to benefit the soft drink industry. She is respected and passionate about bringing stakeholders together to form coalitions, and she always looks to build consensus and a positive path forward.

DFIC named Wawa as its 2015 Retailer of the Year. Wawa has more than 200 years of history in American business. Wawa, Inc., a privately held company, began in 1803 as an iron foundry in New Jersey. Toward the end of the 19th Century, owner George Wood took an interest in dairy farming and the family began a small processing plant in Wawa, Pa., in 1902. The milk business was a success, due to its quality, cleanliness and “certified” process. As home delivery of milk declined in the early 1960’s, Grahame Wood, George’s grandson, opened the first Wawa Food Market in 1964 as an outlet for dairy products. Today, Wawa operates more than 630 stores. The first Wawa food store opened in Folsom PA, and the first Delaware store opened in 1969. The first fuel store opened in Millsboro DE in 1996. Today, Wawa is a chain of more than 630 convenience stores (360 offering gasoline), Wawa stores are located in Pennsylvania, New Jersey, Delaware, Maryland, Virginia and Florida.

The Wawa Foundation, the company’s 501c (3) non-profit organization, founded to encompass all of Wawa’s charitable giving. Wawa and its foundation is committed to donating $50 million to causes supporting health, hunger and every day heroes by 2018.

DFIC honored David McCorkle, PFMA president and CEO, as the first recipient of the Don Holst Lifetime Achievement Award. The award honors Don Holst, who passed away suddenly in 2015. He was a licensed pharmacist for 30 years working for Happy Harry’s and Walgreens. In 2001, he was part of the committee that was instrumental in having regulations changed to allow pharmacists to administer immunizations.

Dave McCorkle started the Delaware Food Industry Council 14 years ago. He recognized the void in representation for Delaware retailers. He used his relationship with retailers and created this organization to be the only statewide trade organization dedicated to the food industry.

Aside from founding the organization, McCorkle has served as a mentor to Julie Miro Wenger and Board Chairman Rich Kenny.
PCRS Adds Customers and Invests in Technology

Pennsylvania Coupon Redemption Services, Inc. (PCRS), serving PFMA members since 1956, is the association’s longest operating business service.

PCRS, a wholly-owned subsidiary of PFMA, has proudly served the coupon processing needs of association members since 1956. It is the largest retail coupon clearinghouse owned and operated by a retail association, processing coupons for thousands of stores in more than 26 states.

Our coupon volume grew by more than 50 percent in the last year with the addition of several state associations to our roster — Connecticut, East Central Ohio, Illinois, Michigan, New Hampshire and North Dakota. PCRS also welcomed Olean Wholesale and Fareway Stores to our family of clients.

To ensure we're meeting the demands of a growing customer base, PCRS has invested heavily in its proprietary coupon payment and reporting software. Payment checks have been redesigned to simplify reconciliation and meet individual association specifications, a new statistical report detailing the top 150 coupon manufacturers in a retailer’s shipment was launched and numerous client-specific customized reports have been added.

For decades now, coupons have been the go-to promotional tool for CPG retailing, with more than 310 billion distributed and 2.74 billion redeemed by consumers nationwide in 2014. No other vehicle has proven as successful at influencing shoppers to try a new product, make a repeat purchase or switch brands. With consumers cashing in on annual savings of $3.6 billion, food retailers can’t afford not to accept manufacturer coupons — and PCRS makes it simple and affordable to do so.

Our competitively priced, superior quality redemption service is geared toward meeting the needs of both independent food retailers and chain operations. PCRS features include:

- Fast and accurate processing utilizing automated barcode 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;
- No service charges or volume minimums;
- Custom-built paper and digital coupon processing programs for large volume accounts;
- Experienced and professional customer service support that’s just a call or click away — our experts offer guidance on chargeback resolution, counterfeit coupons, coupon policies, digital coupons or any other aspect of your coupon redemption needs.

Through our partnership with NCH Marketing Services, PCRS also handles the electronic coupons that shoppers select from mobile apps or retailer or digital coupon publisher websites and download to their frequent shopper cards. Although currently less than 1 percent of all coupon offers issued by manufacturers, consumer demand for ecoupons is expected to grow big and grow fast, so whether it’s paper or pixelated coupons, PCRS has you covered.

Entrusting your coupons to PCRS also helps support PFMA. The profits earned from PCRS operations are returned to the association to help offset the costs of other PFMA programs, providing members with added value for each coupon submitted for processing.
PCRS Contacts

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Laurie Savoy
Account Manager
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717-760-5908

PCRS
PENNSYLVANIA COUPON REDEMPTION SERVICES, INC.

1029 Mumma Road, Wormleysburg, PA 17043
PO Box 860, Camp Hill, PA 17001-0870
800-543-8207 x 3129
PFMA TREASURER’S REPORT

Treasurer’s Report for FY 2014-2015

Mr. Chairman, the financial report that I am about to make is for the fiscal year end at June 30, 2014 for the PFMA and subsidiaries. These audited financial statements of the Association were completed by our auditing firm, Boyer and Ritter, Certified Public Accountants and Consultants.

In addition to the annual examination, the annual meeting attendees should be advised that interim financial statements are prepared in-house by PFMA staff and submitted for review by the board at their meetings.

A summary of the annual audited financial statements as of June 30, 2014 is as follows (in thousands): They were presented and approved at the May 2015 board meeting.

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<thead>
<tr>
<th>Assets</th>
<th>Current Assets:</th>
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<td>Cash</td>
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<td>Accounts Receivable, Trade</td>
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<td>Prepaid Expenses</td>
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<tr>
<td>Deferred Income Taxes</td>
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Total Current Assets $20,311

Net Building, Equipment & Vehicles 4,794

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<tr>
<th>Other Assets:</th>
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<tbody>
<tr>
<td>Notes receivable, long term portion</td>
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<tr>
<td>Accounts receivable, long term portion</td>
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<td>Amortizable Assets, net</td>
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<td>Goodwill</td>
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<td>Deferred Income Taxes</td>
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Total Other Assets $6,560

Total Assets $31,665

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<tr>
<th>Liabilities &amp; Association Equity</th>
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<tbody>
<tr>
<td>Total Current Liabilities</td>
</tr>
<tr>
<td>Total Long Term Liabilities</td>
</tr>
<tr>
<td>Association Equity</td>
</tr>
</tbody>
</table>

Total Liabilities & Association Equity $31,665

Mr. Chairman, I have the original copy of this audit report available to any member desiring to examine it. This report will be duly recorded as part of the official business of this meeting.
PFMA welcomed Donna Imrisek as controller in April 2016. She will oversee the accounting and financial operations of the association and its subsidiary business, Pennsylvania Coupon Redemption Services, and provide reports to the PFMA board of directors.

“Donna’s vast experience in accounting and finance will be a great asset to the PFMA team,” said David McCorkle, PFMA president and CEO. “Her experience working with budgets, financials, forecasting and reporting to executive teams will be of great value as she works with PFMA’s officers and board of directors.

Imrisek has more than seven years experience working as a controller. She most recently worked as the controller and executive board member for Conestoga Tile in Hanover, Pennsylvania, where she lead the accounting, finance and administrative functions of the company.

She earned both her Master of Science in Management: Accounting and a Bachelor of Science degree in Accounting from the University of Maryland, Adelphi, Maryland. She is a member of the Institute of Management Accountants.

**Join a Committee**

PFMA committees help members stay current on specific issues through staff communications and guest speakers. All committees review and discuss current legislation affecting the industry; discuss possible actions and strategies for dealing with the issues; and suggest policies and direction for the PFMA government relations department. Currently, PFMA offers the following committee opportunities: Legislative, FoodPAC, Food Protection, Loss Prevention, Pharmacy Council, PennDOT Work Group and Fuels Committee. In 2016, PFMA started Human Resources and Sustainability committees.

For more information or to add your email address to our committee communication, contact Steve Neidlinger at sneidlinger@pfma.net or call 717-760-5922 or 800-543-8207 x5922.
Advocating the views of convenience stores, supermarkets, independent grocers, wholesalers and consumer product vendors operating in Pennsylvania.