The Pennsylvania Food Merchants Association is a statewide trade association representing more than 800 food retailers who operate more than 2,500 retail food stores in the Commonwealth.
A Message from Our Chairman

PFMA Chairman
Rich McMenamin
McMenamin Family ShopRites
Philadelphia, PA

Member Participation Makes PFMA Stronger

Member support is very important to get our message to legislators. Thank you to all the members who contacted their lawmakers about important issues last year. We hope you will continue to make the food industry’s voice heard.

Pennsylvania Food Merchants Association (PFMA) members are united in their efforts to operate successful businesses without burdensome legislation and regulations. Together, we are a powerful voice on city, state and federal issues.

In 2014, our legislators kept us busy monitoring bills and their potential impact on the food industry. Here’s a sampling of the issues PFMA worked on in 2014.

Alcohol Privatization — Last year, we were able to work with other business and trade groups to garner attention to the alcohol sales reform issue. While several legislators have introduced reform bills, Governor Tom Wolf has said that he is opposed to privatizing the state store system. Closing the budget shortfall could bring the issue to the forefront again this year. Please keep talking to your legislators and urge them to support fair reform that will benefit consumers. You may also want to engage your consumers to ask their legislators for convenient, fairly priced alcohol sales.

Cigarettes — PFMA came close to getting the presumptive minimum mark up on cigarettes raised from 6 to 7 percent last year. HB 1456 and SB983 would have allowed retail licensees to see an increase for the first time in more than 60 years. HB1456 passed out of the House Finance committee, but it expired since there wasn’t time for further consideration. The legislation will be re-introduced this year and we should be in a good position to advance the legislation thanks to its success last year.

Emergency Planning — 2014 brought more snowy, frigid weather, which kept staff busy updating members and obtaining a trucking Hours of Service waiver so members could continue food deliveries. Our new website now provides access to emergency planning guides, PA511 for road closing updates, weather alerts and local links for the National Weather Service, and safety tips.

Employee Leave — Philadelphia passed an ordinance requiring paid sick leave that was set to take effect on May 13, 2015. In April 2015, the Senate passed SB333, pre-empting paid sick leave policies. Representative Seth Grove (R-York) has introduced similar legislation in the Pennsylvania House as HB184.

Pharmacy Issues — PFMA supported two bills that would allow pharmacists to administer injectable medications, biologicals and immunizations to children under the age of 18 with parental consent. Rep. Grove reintroduced his legislation as HB 182 in January. The bill passed the House at the end of March. Senator Thomas McGarrigle (R-Delaware) introduced a companion bill in the Senate. We hope it will pass this year.

SNAP Cuts — The federal Farm Bill signed by President Obama included an $8 billion reduction in SNAP benefits over 10 years for those recipients receiving Low Income Home Energy Assistance Program (LIHEAP) benefits from their state of residence, including Pennsylvania. An estimated 400,000 Pennsylvania households were slated to lose a monthly average of $60 to $65 each in benefits, amounting to $300 billion a year. PFMA worked closely with Governor Tom Corbett’s staff on this issue and he increased federal energy aid from $1 to $20. The aid comes from the federal government in the form of a block grant. The governor earmarked an additional $8 million from the grant in 2013 to cover the $19 increase in LIHEAP now required.

Please review the government relations section of this report for detailed summaries of the issues.

Member support is very important to get our message to legislators. Thank you to all the members who contacted their lawmakers about important issues last year. We hope you will continue to make the food industry’s voice heard.

I am honored to have served as your chairman for the past two years. I encourage all members to consider getting more involved in the association. Joining a PFMA committee, attending a conference, promoting the Ridge scholarships, supporting FoodPAC, utilizing our business services, and talking to your legislator about the issues, are all important ways to support the association and get more out of your membership.

Thank you to all of my fellow officers, board member and committee chairmen. I appreciate the time, ideas and knowledge you provide to PFMA. You make us a stronger organization.
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McMenamin Family ShopRites
Philadelphia, PA

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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.

Teross Young
Food Lion, LLC, Salisbury, NC
Pennsylvanians elected Tom Wolf from the City of York to serve as the state’s 47th Governor on November 4, 2014. At the same time, voters greatly strengthened the majority of the Senate and House Republicans. The great challenge of the next four years for elected officials will be to find enough common ground and good will to address pressing public policy issues including:

**Pension Reform**
Funding increases and benefit redesign from the state, local government and school districts are required to put the pension system on a firm financial foundation.

**State Budget**
Members of the General Assembly and the administration have a constitutional responsibility to enact a balanced budget on or before June 30 of each year. About 80% of annual state expenditures are made by the Department of Human Services and Education. How will the demand for basic services, the multi-billion dollar structural deficit and pledges for property tax reductions be balanced over the next four years?

**Economic Growth**
Job and economic growth in the Commonwealth have trailed the nation. Although unemployment has dropped below 6%, many Pennsylvanians are underemployed, not trained for available jobs or have stopped looking for work. Wolf’s plan to increase business, personal income and sales taxes impact the already fragile economy.

**Adult Beverage Sales**
By the end of 2015, more than 300 retail food stores with the appropriate licenses will be selling up to two (2) six-packs of beer per purchase to customers. Will change in the market place result in an end to the state monopoly on wine and liquor sales?

**Food Industry and Business Response**
I hope that you will take the time to review all the member and business services aggregated under the PFMA organizational umbrella. From PCRS’ state-of-the-art coupon processing service to the excellent public policy work being completed by the Delaware Food Industry Council, PFMA Directors and staff are dedicated to meeting industry needs at an affordable cost.

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 associates and customers.

In many instances 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 the 2014 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 messages. Thank you again for your support in 2014 and for your commitment to doing more in 2015.
PFMA’s Association Services Division has some new faces on staff for 2015. Last fall, PFMA made plans to hire a new director of membership development. Gary Lauer took on the role in February and has been very busy recruiting new members and visiting current members to find out their needs. Many of you may already know Lauer, who spent the past 15 years as director of retail development for the former Associated Wholesalers, Inc. He also served on the PFMA board and the Pennsylvania Convenience Store Council executive committee.

Steve Neidlinger joined the staff in April as manager of legislative research. He takes over from Annette Knapp, who left to pursue other opportunities after more than 15 years of service. Neidlinger has 12 years of association experience in member services, legislative advocacy, project management and meeting planning. He is holds Certified Association Executive (CAE) accreditation from the American Society of Association Executives. He has stepped right into his new role.

Alex Baloga took on more responsibilities in October. His title is director of government and public relations. He now oversees government relations, research and communications. Autumn Thomas was promoted to chief operating officer and advised the staff in the membership development areas.

Jennifer Hamelin is now the executive assistant. She serves as the lead for PFMA’s new database system, powered by WebLink International. 

Elizabeth Peroni, director of communications, and Annette Knapp worked to develop expanded content for PFMA’s new website. The new user-friendly site rolled out at the end of September. PFMA members now have access to a plethora of legislative and regulatory information as well as emergency planning and weather alerts.

**Highlights from 2014**

**Thomas R. and Laura Ridge Scholarship**

In April, PFMA unveiled 24 Ridge Scholars for the 2014-15 school year. The students received $2,000 scholarships to attend the college or university of their choice. An independent judging panel selected the recipients from 188 applicants last year. The students are judged on their academic success, extra-curricular activities, community service and overall character.

All PFMA, Pittsburgh Association of Manufacturers Representatives and Northwestern Pennsylvania Food Council members, their children and their employees are eligible to apply for the scholarships, which are named to honor former Pennsylvania Governor Tom Ridge’s parents, who were strong supporters of education.

Applications for the 2015-16 school year will be available in late November. PFMA members are encouraged to advertise the scholarships to their employees.
Annual Conference Held in Bedford
PFMA hosted its annual conference at the Omni Bedford Springs Resort on June 9 and 10, 2014. The event opened with an early morning tour of the Sheetz Bros. Kitchen and Distribution Center in Claysburg, Pennsylvania. The Sheetz staff graciously opened their facilities and answered questions from fellow retailers and suppliers. Next, conference attendees enjoyed a beautiful day on the historic links at the Bedford Springs Old Course.

The evening began with a VIP reception for past PFMA chairmen and guests. Following another reception, PFMA honored the chairmen at dinner. PFMA past and current chairmen in attendance were: Chairman Rich McMenamin, McMenamin Family ShopRites; Vince Anderson, retired from Wawa, Inc.; Jack Clemens, Clemens Holdings; Dan McNabb, Castle Shannon Shop ‘n Save; Walter Rubel, formerly of Acme Markets; and Christy Spoa, owner, Ellwood City Save-A-Lot.

The June 10th programming included breakfast with omelets provided by Sauder’s Eggs. Seminars featured Pennsylvania Lottery Executive Director Sil Lutkewitte, who announced new games and marketing initiatives the lottery planned to roll out. Gray Taylor, executive director of Conexxus, presented a seminar on Data Security: How to Protect Your Business & Your Customers. Alison Beam, policy director, Pennsylvania Insurance Commission, and Allen Warshaw, partner, Rhoads & Sinon, LLC, helped retailers better understand requirements of the Affordable Care Act.

Boyé’s Food Markets Takes Home Bagging Championship

PFMA Thanks Pennsylvania Lawmakers
PFMA’s Government Relations team honored 20 lawmakers with the 2014 “Friend of the Food Industry” Awards. The awards were presented to legislators who exemplify the values of our supermarket, convenience store and associate members. PFMA staff visited lawmakers at their offices to present them a special acrylic bag award.
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 main goals of this voluntary price accuracy program are to clearly identify for customers the prices of all items in the store and to ensure that shoppers are charged the lowest advertised price at checkout.

Program guidelines 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 unannounced in-store inspections to measure compliance with program standards. Certification is awarded to stores that 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 to stores that achieve and maintain a high level of price accuracy. 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.

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.

Most importantly, the SCP is meeting its main goal of helping its members improve their price accuracy. Supermarket accuracy rose from 96.90 percent in 1991 to 98.64 percent in 2014. Convenience stores made strides too — improving overall average accuracy to 96.85 percent since 2000.

The SCP’s member retention rate was excellent over the last year, hovering just below 100 percent. Usually when a store exits the program, it’s an obsolete chain location that has been closed.

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. PFMA provides management support. All financial objectives were met in 2014, enabling inspection fees to be kept at their current level for 2015. The fees paid by SCP members fund the entire operation, and we’re mindful of the need to spend our clients’ money carefully.

To learn more about the Scanning Certification Program, contact SCP Executive Director Autumn Thomas at 888-722-6727 or athomas@pfma.net.
Government Relations

GR Team Works on Priority Legislative & Regulatory Issues for Members

2014-2015 State Budget

As part of budget bill negotiations for fiscal year 2014-2015, PFMA prevented the elimination and reduction of the one percent Vendor Sales Tax Collection Allowance so that retailers can continue to be reimbursed for the administrative costs they incur for collecting the tax for the Commonwealth.

In addition, we prevented increases to the state's cigarette tax and the implementation of new taxes on cigars and chewing tobacco. We prevented an increase in (or freeze on the phase-out of) the Capitol Stock and Franchise Tax (CSFT). We also prevented a change in the state's unclaimed property law related to money orders. Finally, PFMA prevented the institution of a modernization plan which would have benefited the current state liquor store and wholesale distribution system as part of the budget deal, but would have done little to help our membership.

As part of the budget plan, the state Senate voted to amend and pass HB 1177 which dealt with allowing hotel room taxes in certain municipalities and allowed for the authorization of a $2-per-pack cigarette tax in Philadelphia, which PFMA actively opposed. The amendment put a sunset on the $2-per-pack tax in Philadelphia after five years with an end date of June 30, 2019. Other changes included adding more City Revitalization and Improvement Zones (CRIZ).

Governor Corbett signed the $29.1 billion budget on July 10, 2014.

Affordable Care Act

In 2014, PFMA made two educational sessions on the Affordable Care Act (ACA) available to members. PFMA Associate member Rhoads & Sinon hosted “The Affordable Care Act – Obligations & Opportunities” webinar for members on March 13 and in person on June 10, 2014 at our annual conference in Bedford Springs, Pennsylvania. Presenters Allen C. Warshaw, Esquire and Nicole J. Radziewicz, Esquire covered the following important topics for the sessions:
  - “Large Employers” Subject to the Employer Mandate
  - “Full-Time Employees” and “Full-Time Equivalents”
  - Transition Relief for Employers
  - Shared Responsibility Obligations
  - Maximum Waiting Period for Newly Hired Full-Time Employees
  - Providing Coverage that is “Affordable” and of “Minimum Value”
  - Dependent Coverage
  - Shared Responsibility Penalties
  - Penalty for Offering No or Inadequate Coverage
  - Notification and Reporting Requirements
  - Grandfathered Plans

At the annual conference, Alison Beam, Policy Director for the Pennsylvania Insurance Department discussed Pennsylvania’s state agency approach to implementing the ACA, with a focus on health insurance reform.

40 Hours Is Full Time Legislation

PFMA, along with our national partners at NGA and NACS, has been working to advance the Save American Workers Act of 2014 (H.R. 2575) in the U.S. House and the Forty Hours is Full Time Act of 2013 in the (S. 1188) Senate. These bills would have amended the definition of a full-time employee set by the ACA from 30 hours per week, per month to a more realistic 40 hours per week, per month. Thirty hours is not full-time and requiring employers to meet this new definition is one of the most significant challenges of the law, jeopardizing coverage for a true full-time workforce.

The House voted to pass H.R. 2575 on April 3, 2014, but S. 1188 had not advanced in the U.S. Senate before the close of session.

H.R.30 (Save American Workers Act of 2015) and S.30 (Forty Hours Is Full Time Act of 2015) were both introduced on January 6, 2015. H.R.30 passed U.S. House on January 8, 2015. We will continue to push this issue as this is a priority concern for many of our members.

Left, Alison Bean, policy director for the Pennsylvania Insurance Department; Rich Wood, Wawa, Inc.; and Alan Warshaw, Esquire, Rhoads & Sinon, discuss the important information provided in the PFMA Conference session on the Affordable Healthcare Act.
Government Relations

Allegheny County Council
Restaurant Inspection Grading

The Allegheny County Health Department (ACHD) introduced a food inspection letter grading proposal based on compliance with food safety procedures. Plans called for grading restaurants and most of the other food facilities inspected by the health department, including convenience stores. Under phase two of the program, supermarkets, would be added. A similar A-B-C letter grading system was successfully challenged in March 2011.

Currently, health inspectors record food safety violations but do not tally scores. Under the scoring system, inspectors would start at 100 percent and subtract points for each food safety violation. Any grade below an “A” would require a follow-up inspection of the establishment. Further re-inspections could be requested once every calendar year for a fee of $150 at the owner’s expense. Places that earned below a C would be subject to enforcement action such as having to post a Consumer Alert placard or being ordered to close.

Facilities would receive a green sticker if they passed inspection or a yellow “Consumer Alert” placard if inspections identified serious violations. Inspectors would shut down restaurants with potentially dangerous health code violations and post a red placard as a result. Regular inspection reports would continue to be found on the ACHD website.

These scoring systems have gained favor nationwide. Proponents of the scoring systems say posting grades publicly helps customers make informed choices and gives facility owners added incentive to maintain high food-safety standards. Those opposed to the grading system say the system will not improve food safety and will ruin reputations and businesses, causing financial hardships. In addition, there are not enough inspectors and program infrastructure in place to support the proposed system.

In September the ACHD approved the proposal by a 6 to 1 vote at its regular board meeting. Next, the plan went to Allegheny County Council for consideration. PFMA urged Allegheny County members to contact Council members to express their concerns. A planned committee vote was canceled in February 2015. We will continue to work with County Council to halt its progress, since it is likely the issue will be revisited again in the spring.

Alcohol Sales Privatization

HB 790, Pennsylvania’s historic alcohol sales reform legislation, remained in the Senate Appropriations Committee since June 29, 2013. At the start of 2014, the debate continued and Pennsylvania’s legislative leaders still had not addressed the key issue of how we can better serve consumers who want to buy beer, wine and spirits at one location.

Throughout 2014, PFMA consulted with members on each of the proposals and received feedback on the conversations they were having with state legislators.

Through the first quarter of 2014, PFMA worked with a broad coalition, including the Pennsylvania Retail Federation, Pennsylvania Business Council (PBC), Distilled Spirits Council of the United States (DISCUS), National Federation of Independent Business (NFIB), Pennsylvania Chamber of Business and Industry, Pennsylvania Manufacturer’s Association (PMA), Commonwealth Foundation, Pennsylvania Association of Chain Drug Stores and Beer Distributors for Responsible Reform, to issue alcohol sales privatization talking points (Adult Beverage Sales Principles) which members could use to urge their legislators to support the responsible reformation of Pennsylvania’s alcohol sales. Up to that point, there had never been a plan proposed for alcohol sales privatization in Pennsylvania that included input from current stakeholders.

The stakeholders sent a letter to every state Senator urging them to enact legislation that gives consumers convenience, product selection, price and service — a system where retailers can complete freely for customers buying adult beverages.

State lawmakers should consider that Pennsylvania is the only state that dictates the quantity of beer a customer can purchase and a beer distributor, restaurant or tavern can sell.

Pennsylvania and Utah are the only states where the wholesale purchase of wine and spirits and the retail sale of those products is monopolized by the state.
PFMA urged state lawmakers to consider and change the following:

- A beer, wine and spirits licensing or permitting system must be implemented to serve Pennsylvanians and our guests. Packaging and pricing policy should be made by the private sector, not the state.
- A 30-day study of the Pennsylvania wine and spirits purchasing and distribution system should be undertaken to determine the cost of expanding the existing system. If taxpayer investment is required, a private sale and distribution system, as approved by the House in HB 790, should be implemented.
- Businesses and state employees potentially harmed by changes in the adult beverage sales system must be assisted by the Commonwealth. Changes benefiting consumers must not victimize the state store employees or licensed Mom and Pop beer distributors. Pennsylvania’s Small Business Development Centers can assist this economic development process.
- If accomplished promptly by the passage of legislation, a new system of beer, wine and spirits sales will provide funds to close the FY2014 budget gap. A one-time $800 million to $1 billion windfall, plus the implementation of a “customer is always right” public policy, sounds like a winner for everyone.
- Finally, a competitive beer, wine and spirits sales structure will create a substantial increase in sales tax revenue for the Commonwealth. A portion of the anticipated $80 - $150 million in new revenue should be used to assist the marketing initiatives of Pennsylvania-based brewers, vintners and distillers.

PFMA publicized “Beer and Wine Consumer Convenience Proposal” which outlined that under the current systems, many Pennsylvanians felt the need to travel out of state to receive convenience, selection, value and service when buying adult beverages. It was also stressed that many Pennsylvania retailers were already responsibly selling adult beverages in other states.

In April 2014, PFMA reported that the alcohol sales issue was still a hot topic for the state legislature. At that time there seemed to be a sense of urgency within the Senate to try and get something accomplished on privatization. Various issues still needed to be worked out — such as the beer/gas sales ban, seating requirements for eatery licenses, new licenses and more.

Sen. Charles McIlhinney (R-Bucks) led the discussion prior to the state budget crunch and had shown some willingness to move in a more consumer friendly direction. But at that point, Governor Corbett’s office had withdrawn themselves from discussions, and the spirits industry was adamantly opposed to any plan that did not include spirit sales.

Senator McIlhinney’s amendment, a much more scaled back version of the House passed HB 790 (P N1246) from March 2013, did not have the votes to move through the Senate. This proposal allowed for some incremental changes such as wine sales in the grocery store and the removal of the alcohol/gas sales prohibition. It would have kept the state in charge of the retail and wholesale operations.

PFMA urges retailers to engage consumers

PFMA shared a postcard sized advertisement that stores could use in their weekly mailers to push for reform in May. It stated that if your customer would like to have beer, wine and spirits sold in your store, then please let your legislator know by sending in the filled-out form. This action was intended to facilitate keeping the conversation going. The more members that utilized this piece as a marketing tool, the better. PFMA stressed that legislators needed to hear from constituents to move the issue along. PFMA also stressed that the issue needed to be discussed before the end of June or it had little to no chance of being revisited in the fall due to November elections and the limited number of session days.

One Last Push for Alcohol Reform in 2014

In August, PFMA members made one last push for legislators to consider their plans outlined earlier in 2014 with a letter writing campaign, but the election was soon upon us and no lame duck session was put into action. Not even House Majority Leader Mike Turzai (R-Allegheny) could spur Republican Governor Corbett to push for passage. The two-year legislative session ended on November 30.

Progress in 2015

It is now 2015 and we have started the process all over again. The Pennsylvania House of Representatives once again took up the mantle on liquor privatization by passing House Speaker Turzai’s HB 466, a bill very similar to HB 790 from last session. The bill was referred to the Senate Law and Justice Committee on February 27, 2015. Governor Wolf also had Sen. Jim Brewster (D-Allegheny/Westmoreland) introduce a PLCB-centric, Democratic modernization plan in the form of Senate Bill 15.

PFMA continues to work to update Pennsylvania’s alcohol sales and distribution laws to allow retailers to sell alcoholic beverages and to provide consumers with the ability to purchase beer, wine and spirits in any quantity in grocery and convenience stores. We continue to support privatizing the wholesale and retail operations and creating new licenses for interested retailers in 2015.
BioSimilar Product Substitution

Biosimilars are biological medicines that are similar, but not identically, constructed as brand name, innovative biological medicines, such as rheumatoid arthritis medicine Humira. They are biological drugs designed to have active properties similar to a previously-licensed drug. Senate Bill 405, introduced last session by Sen. Pat Vance (R-Cumberland/York) contained provisions governing when and how a pharmacist would notify a patient’s physician when dispensing a biologic product substitution.

The legislation called for drug substitution to only be permitted if certain minimal thresholds were met, including a decision by the U.S. Food and Drug Administration (FDA) that the prescribed product and the biosimilar product were interchangeable. The bill included a notice requirement that a pharmacy must alert the prescribing physician within 72 hours of dispensing the interchangeable biological product that the interchange was made. This would only need to be carried out the first time a switch is made. The bill included a five-year sunset provision.

PFMA’s work with a business coalition halted unnecessary, burdensome and costly reporting requirements contained in the legislation. This was a marked departure from how pharmacists have historically dispensed generic drugs to patients. Pennsylvania’s generic dispensing law has served us well and we should continue to follow that model. Also, the use of generic biosimilars may lead to lower costs compared to brand biologics and this will help save millions for the Commonwealth and taxpayers.

This bill passed out of the full Senate on June 24, 2014 and died in the House Health Committee at the close of the legislative session.

Sen. Vance re-introduced her biosimilars legislation as Senate Bill 514 on February 19, 2015. SB 514 favors the dispensing of more expensive brand biologic products. This provision has the potential to raise costs significantly for patients and Medicaid programs. This bill includes the same five-year sunset provision and would be effective January 1, 2017.

PFMA remains opposed to this legislation and has re-joined a business coalition that has already sent correspondence to Senate leadership in opposition to the bill. PFMA will continue to oppose this bill and monitor it possible movement, as well as a companion bill that Representative Bryan Cutler plans to introduce.

Cell Phone Fees

Beginning July 1, 2011 retailers were mandated to impose a $1 surcharge on pre-paid wireless devices or pre-paid time per each transaction at point of sale (POS). Retailers must disclose the surcharge on the register receipt and the fee is remitted to the state quarterly along with the sales tax. Pennsylvania retailers are able to keep three percent of the fee as a vendor allowance.

County officials statewide say they are struggling to fund their 911 dispatch systems, especially as demand grows for technology upgrades. Since 1990, Pennsylvanians have helped defray the cost of local 911 operations by paying a tax on their landline phones ranging from $1 to $1.50 per month.

County managers were required to upgrade 911 systems to take text messages starting in 2014 and are advised to prepare for next-generation technologies like online video feeds. County commissioners have called for a comprehensive rewrite of the Public Safety and Emergency Telephone Act and an increase in fees to cover the costs.

PFMA staff has met with state House and Senate members and their staff regarding E-911 fee collection at the retail POS to discuss concerns about a potential re-write of the program as nearing its sunset on June 30, 2014.

On May 21, 2014, Rep. Steve Barrar (R-Chester/Delaware) introduced HB 2275 which reauthorized the existing 911 funding law for one year. The House and Senate Veterans Affairs and Emergency Preparedness committees were expected to use the remainder of the year to draft a bill to modernize the entire 911 Act by June of 2015. The bill was signed into law on June 30, 2014 and included the 911 surcharges to fund the system, which is set to expire that day.

Rep. Barrar, majority chairman of the House Veterans Affairs and Emergency Preparedness Committee, held public hearings to get view points on a new plan to overhaul the 911 system. The consensus of the testimony reiterated that despite the development of next-generation technology and inflation, the 911 surcharge fee has not been increased across the board since the creation of the law in 1990. Wireless phones, VOIP phones and prepaid communication devices were later captured under the surcharge provisions of the law, but the $1 fee for these devices was calculated from the current 1990 surcharges that were in place for landline phones under the original law.

Barrar said that he doesn’t agree that the surcharge should be increased to $2 monthly or per each pre-paid purchase as the draft bill is written, but he supports a lower surcharge fee increase to address the financial needs of the county 911 centers.

PFMA staff has met with Chairman Barrar on this issue to express our concerns regarding a fee increase, a decrease in the 3 percent collection fee that retailers get to recoup at POS and to gather more information on the draft bill.
Check Cashing Licenses

Rep. Chris Ross (R-Chester) introduced House Bill 1361 on May 8, 2013. The bill instructed the state Department of Banking to not require Pennsylvania food merchants to register their check cashing operations under the complicated national mortgage licensing system. This bill passed unanimously in the House on June 3, 2013 and was referred to the Senate Banking and Insurance Committee.

A Senate companion bill (SB 1118) introduced on October 9, 2013 by Sen. Michael Brubaker (R-Lancaster) was reported out of the Senate Banking and Insurance Committee on October 22, 2013. PFMA met with Senate staff and members in support of the legislation as it did on the House side. This bill was set on the Senate Calendar a number of times in 2014, but never saw further action.

With the 2013-2014 legislative session coming to a close, PFMA worked with Rep. Ross to reintroduce this legislation as HB 460 on February 12, 2015. PFMA also worked with Sen. Gene Yaw (R-Lycoming) to introduce the legislation as SB 489. The Senate companion bill was passed out of the Senate Banking Committee on February 18, 2015.

These bills will protect food retailers from undue regulatory burdens and paperwork which will lower operational costs and increase efficiency. Check cashing registration requirements would be changed to clarify that food stores, as business entities that are not marketing mortgages, but merely cashing checks, do not have to register their businesses with the mortgage licensing system. Consumers would also benefit from the increased transparency and protections offered under this Act. This legislation lowers check cashing fees for government checks to 1.5 percent and for government assistance checks (federal, state and local) to 0.5 percent and requires public posting of check cashing fees at checkout. We hope to see further movement on these bills this spring.

Cigarettes & OTP Taxes

In May 2014, discussions related to cigarette and OTP (Other Tobacco Products) taxes were ongoing in the legislature with the state’s looming budget deficit as we moved toward the June 30 deadline. PFMA worked hard to express our opposition to the Senate, House and Corbett administration on any of these taxes.

In addition to state-level talks, the city of Philadelphia sought to levy a $2 per-pack cigarette tax to help fund city schools via ordinance 130446-A. Mayor Michael Nutter signed this ordinance into law on June 30, 2013 and the action required approval by the state legislature and the governor to move forward.

PFMA was successful in stopping that city-level proposal from taking hold on the state level in 2013 and we worked again to halt the proposal’s advancement.

PFMA asked Philadelphia area members to contact both members of City Council and members of the General Assembly to voice their opinions on the proposal. PFMA also worked with state House and Senate members to ensure this legislation would not be enacted. Finally, we worked with other business interests on this issue to stop it from gaining traction and passing before the July post-budget break.

Unfortunately, the allure of tobacco tax money as a panacea for Philadelphia’s own budget woes was too strong for state lawmakers. HB 1177, sponsored by Rep. Greg Lucas (R-Erie) was signed into law as Act 131 of 2014 and a Philadelphia $2 per-pack cigarette tax increase went into effect on October 1. PFMA hosted an October 17 conference call meeting with the state Department of Revenue and retailers to help answer questions that members had regarding the implementation.

Philadelphia tax stamps combined the new 10-cent-per-pack Philadelphia cigarette tax and the 8-cent-per-pack state tax – for a total cigarette excise tax of $3.60 per pack of 20 cigarettes/little cigars and $4.50 per pack of 25 cigarettes/little cigars. The increase is driving consumers to nearby states to purchase products.

Cigarette Pricing

HB 1456, introduced by Rep. Tim Hennessey (R-Chester) and SB 983, introduced by Sen. Bob Mensch (R-Montgomery) would give retailers a 1 percent increase in the minimum presumptive pricing on cigarettes allowed by state law. This would move the minimum from 6 to 7 percent. The results of the passage of this legislation would be that thousands of retail licensees in Pennsylvania would see their cash flow enhanced for the first time in more than 60 years. The rationale for the original law was to prevent cigarettes from being a “loss leader.”

Further, the bills would require record keeping (paper or electronic) for each contract of sale at the licensed premises or at corporate headquarters. Failure to pay in full in fourteen days or less would subject the buying dealer to a violation of the act.

HB 1456 was voted favorably out the House Finance committee on September 22 and moved on to the House active voting schedule, but because there were only a handful of session days scheduled in fall, lack of time for further consideration of these bills caused them to expire on December 31, 2014.

This was the first time we were able to move legislation dealing with this issue that far and that success set us up to advance the issue further in the next session.

On January 30, 2015 PFMA announced that legislation will soon be introduced on this issue. This push would include raising the percentage mark-up from 6 percent to 7 percent for retailers and may include an increase in revenue for stamping agents and wholesalers. In our favor - Senator Mensch currently holds a leadership position in the Senate.
E-Cigarettes

On April 9, 2014, Philadelphia Mayor Michael Nutter signed into law an ordinance (Bill No. 140096) that prohibits the sale of e-cigarettes to minors and the use of e-cigarettes in workplaces, bars and restaurants within the city. The ordinance, which took effect immediately, applies to e-cigarettes and all other electronic smoking devices, such as vape pens, e-hookahs and e-cigars. Businesses found to sell e-cigarettes or refill cartridges to minors would be ticketed $250 per violation. Out-of-package sales, not checking ID for sales and not displaying appropriate signage could result in additional penalties.

Philadelphia ordinance No. 140095, which prohibited the use of e-cigarette products in public spaces, took effect on July 1, 2014. It applies to all public spaces outlined in the Clean Indoor Air Worker Protection Law pertaining to conventional cigarettes, including: workplaces, restaurants (including outdoor seating areas), bars, and clubs; retail/wholesale stores; movie theaters, museums, performance spaces and more.

Taxing e-Cigarettes

In the fall of 2014, Councilwoman Blondell Reynolds-Brown proposed an ordinance (14080100) which included a new $2 tax on e-cigarettes along with taxes on cigars, rolling papers, loose tobacco and nicotine solution within Philadelphia. The liquid nicotine that goes into the electronic device would be taxed at 50 cents per milliliter, not to exceed $5 per transaction.

Unlike the $2-per-pack cigarette tax referenced earlier in this report, the Philadelphia e-cigarette tax does not require state approval. The city is allowed to tax items that the state does not already regulate and tax, such as traditional cigarettes.

PFMA is working with a coalition of interested parties to push back against this proposed ordinance. This proposal has not seen any attention since it was introduced and referred on October 16.

On the state level, Rep. Mario Scavello (R-Monroe) introduced HB 1485 which sought to amend the Clean Indoor Air Act by adding e-cigarettes to the list of prohibited products and removing exemptions for certain locations that did not fall under the original law. Senator Stewart Greenleaf (R-Montgomery) introduced a similar bill in the form of SB 80. Neither of these bills saw any movement since June 2014.

PFMA opposes the inclusion of e-cigarettes under this Clean Indoor Air Act since the current science on this issue is unclear as to whether there is any adverse public health impact regarding their use.

PFMA did support Sen. Tim Solobay’s (D-Washington) SB 1055 which would have brought Pennsylvania laws regarding alternative nicotine products in line with laws restricting sales to minors for traditional tobacco products. The bill died in the Senate Appropriations Committee.

Emergency Planning

2014 offered up another snowy, frigid winter that kept staff busy. PFMA was granted a trucking Hours of Service (HoS) waiver for food deliveries that went into effect from February 14-18, 2014 in response to winter storm activity.

With the implementation of our new website in the fall of 2014, we were more prepared than ever for upcoming winter storms. Members now have access to emergency planning guidance, local weather service update, our weather alert, local national weather service (NWS) site links, Philadelphia-specific alert link, FEMA travel directive and travel badge language, waiver request forms, generator safety tips, disaster SNAP guidance, active shooter preparedness documents, business loan information, emergency and utility contacts and so much more at the click of a button.
Food Waste Reduction

With pressure to keep food scraps out of the waste stream ever increasing, PFMA publicized several webinars on the subject in 2014 and early 2015 to keep members apprised of initiatives.

The Sustainable Materials Management Webinar Series on EPA’s Food Recovery Challenge (FRC) is part of the EPA’s Sustainable Materials Management Program, which seeks to reduce the environmental impact of materials through their entire life cycle, including how they are extracted, manufactured, distributed, used, reused, recycled, and disposed. Through the FRC, the EPA is partnering with organizations and businesses to prevent and reduce wasted food. Challenge participants save money, help communities, and protect the environment by purchasing less, donating extra food, and composting.

Representatives from the U.S. EPA, Wakefern Food Corporation and Organic Diversion, LLC spoke about their participation in the program and encouraged other food facilities to sign on to the challenge.

The U.S. EPA hosted another Food Recovery Challenge webinar on January 15, 2015 focusing on two Waste Reduction Alliance members. ConAgra Foods spoke of the recent publication of their Best Practices Toolkit for reducing packaging waste and Wegmans spoke about the development and implementation of their long-time sustainability programs.

The recent closing of the Wilmington Organics Recycling Center in Delaware, due to the loss of its operating permit, has pushed the need for a distributed and diverse composting infrastructure to the forefront.

Philadelphia Composting

In November, Philadelphia City Councilman Denny O’Brien introduced Bill No. 140903 to remove hurdles to implementation of a successful composting program by city food-related businesses, while maintaining safeguards that protect citizens’ health and neighborhood cleanliness.

The bill, which passed the full Council on February 19, simplifies the law as it applies to dumpsters, their upkeep and collection. It also identifies organics composting and anaerobic digestion as forms of recycling, which allows it to be licensed at the same rates as ‘traditional’ recycling dumpsters (cardboard, paper, single-stream, etc.). The measure states that composting dumpsters will receive recycling medallions. This is important to food-related businesses because recycling dumpster medallions are half as expensive as refuse dumpsters. This gives a green financial incentive to businesses.

Many of our members participate in food waste recycling programs along with other recycling and sustainability programs, which help to reduce waste and improve the environment. Our members also partner with many of the leading conservation and environmental organizations in the Commonwealth and across the country. We believe these voluntary initiatives are the best approach for our members and their customers. PFMA is a founding member of Keep Pennsylvania Beautiful and a supporter of The Great Pennsylvania Cleanup.

GMO Labeling

SB 653, authored by Sen. Daylin Leach (D-Montgomery/Delaware), and HB 1770, introduced by Rep. Peter Daley (D-Washington), were the main pieces of state legislation calling for the labeling of all GMO products in 2014.

PFMA opposes mandatory and state-by-state GMO labeling initiatives. We believe that the creation of a state-by-state patchwork of regulations on this issue would have a negative impact on businesses and consumers who would be subject or not subject to these laws. A uniform, voluntary process is favored for labeling these products in a manner that does not harm businesses and provides consumers with the information they seek.

On the federal level, HR 4432 was introduced as “The Safe and Accurate Food Labeling Act of 2014.” This legislation would establish a voluntary, national standard for GMO labeling. PFMA supports this legislation which would create a national standard for labeling GMO products. Also, it would pre-empt states from enacting their own labeling laws that extend beyond established federal FDA guidelines.

Loss Prevention

PFMA hosted two Loss Prevention Committee meetings in 2014. On April 11 U.S. Secret Service agents provided important information on point of sale (POS) retail data breaches to the group. They also shared the latest intelligence on counterfeit bills. Lou Mola, loss prevention manager for Wawa and new chair of the committee spoke to fellow members about shrink strategies.

On August 8, Pennsylvania State Police Analysts provided a presentation on their Pennsylvania Criminal Intelligence Center (PaCIC) system in regard to retail crime, asset protection, and risk management information shared. Giant Eagle shared their findings on their Plain Clothes Security Officer program and Weis Markets reported on their 3-year data findings from their Associate Awareness program.

Lottery

In 2014, PFMA staff, along with many of our members, met with the Corbett administration and legislators to discuss ways to increase retailer incentives for selling lottery products. Those discussions included improvements in retailer incentives such as higher commissions. One proposal would increase the commission for selling lottery products from 5% up to 10% depending on weekly sales volume. Other incentives could be offered depending on the type of game being sold. We would also like to have consumers purchase cards from retailers in the stores to use for any online lottery gaming scenarios. This would ensure store traffic and revenues do not decline with online play such as keno.

We helped secure passage of HB 2110, which amends the Pennsylvania Lottery Law by reducing the percentage of the total revenues accrued from the sale of lottery tickets or shares to be apportioned for property tax relief from 30 to 25 percent after June 30, 2014. The bill also prohibits the Secretary of Revenue from authorizing internet lottery games without approval by the General Assembly. In 2015, PFMA will continue to advocate for raising the commission rate for retailers selling lottery products.
Menu Labeling

On November 25, 2014, the U.S. Food and Drug Administration (FDA) finalized two rules requiring calorie information to be listed on menus and menu boards in chain restaurants and similar retail food establishments — including supermarkets and convenience stores — and vending machines with 20 or more locations doing business under the same name and offering for sale substantially the same menu items. The rules are required by the 2010 Patient Protection and Affordable Care Act (ACA).

Covered food establishments will be required to clearly and conspicuously display calorie information for standard items on menus and menu boards, next to the name or price of the item. Seasonal menu items offered for sale as temporary menu items, daily specials and condiments for general use typically available on a counter or table are exempt from the labeling requirements.

In response to more than 1,100 comments from stakeholders and consumers, the FDA narrowed the scope of foods covered by the rule to more clearly focus on restaurant-type food, made other adjustments such as ensuring the flexibility for multi-serving dishes like pizza to be labeled by the slice rather than as a whole pie, and provided establishments additional time to comply with the rule. In addition, the final rule now includes certain alcoholic beverages served in covered food establishments and listed on the menu, but still provides flexibility in how establishments meet this provision. The majority of comments supported including alcohol.

To help consumers understand the significance of the calorie information in the context of a total daily diet, menus and menu boards must include the statement: “2,000 calories a day is used for general nutrition advice, but calorie needs vary.” Upon consumer request and as noted on menus and menu boards, establishments must provide written nutrition information about total calories, total fat, calories from fat, saturated fat, trans fat, cholesterol, sodium, total carbohydrates, fiber, sugars and protein.

The vending machine final rule requires operators who own or operate 20 or more vending machines to disclose calorie information for food sold from vending machines. Machine operators will have two years to comply with the requirements.

Implications on Philadelphia

When Philadelphia passed a menu labeling ordinance (080167-A) in 2008, City Council members and their staff made it clear to PFMA that supermarkets and grocery stores were not included in the bill. However, the actual language of the bill that was signed into law is ambiguous enough so that some could argue that supermarkets and grocery stores should be included. Philadelphia has not been able to enforce its law because the federal law supersedes it. The city put a petition in to the FDA because its local law not only requires calories like the federal law, but it also requires additional information such as sodium and carbohydrate content to be included. It is unclear at this point if the City of Philadelphia will be exempt from the pre-emption features of the federal law included as part of the ACA.

PFMA is opposed to the final rule regarding similar retail food establishments for its “one size fits all” approach as it does not take into account the wide variety of grocery and convenience store formats that exist in the marketplace.

PFMA is working with Herbein + Company to ensure reasonable changes have occurred to the in-store handling costs. PFMA is working with Herbein + Company to ensure retailers’ interests are protected during this process. If you have any questions or are contacted by the Milk Marketing Board Staff, please feel free to contact Kevin M. Lutkins, Esq., at 717-760-5903.

In June 2014, the Milk Marketing Board appointed two new members: consumer Lynda J. Bowman and member James A. Van Blarcom.

Lynda Bowman served in the Tom Corbett for Attorney General and Governor Committees as comptroller in 2003 through June, 2011. She also was a part-time senior associate with Capital Associates, Inc. From 1998 to December 2003, Bowman served as Secretary for the Pennsylvania Milk Marketing Board. In 2002-2003, she served as President of the International Association of Milk Control Agencies and is an honorary life member in IAMCA.

James Van Blarcom is a dairy farmer with 40 years experience in the Pennsylvania dairy industry. With his son and two sons-in-law, he manages a 500 cow dairy farm. He also owns, with his brother, a 5,600 farrow to wean hog facility. He served as a member of the Pennsylvania State Conservation Commission from 2012 until his appointment to the board. He also was a director of the Bradford County Conservation district from 1989 until his appointment to the board, serving as chairman from 1999 to 2009. He has also been active in dairy and agricultural organizations.

In addition to the above, the Milk Marketing Board continues to try to balance the interests of dairy farmers, milk processors and retail stores. The Board has kept the Over-Order Premium steady and is working to decide on a petition by cooperative dairy farmers seeking to make changes to the Over-Price Premium.

Board staff is reaching out to retailers to determine if changes have occurred to the in-store handling costs. PFMA is working with Herbein + Company to ensure retailers’ interests are protected during this process. If you have any questions or are contacted by the Milk Marketing Board Staff, please feel free to contact Kevin M. Lutkins, Esq., at 717-760-5903.
Minimum Wage

PFMA joined a statewide coalition of business groups to oppose any increase in Pennsylvania’s minimum wage. Early in the year, there was a short-lived plan to call up a discharge petition filed by the House Democrats on HB 1896 which would have raised the minimum wage to $9 per hour in 60 days and up to $10.10 per hour the year after. This was a similar recommendation to the one made by President Obama on the federal level.

PFMA engaged members on numerous occasions to urge them to take action with legislators and the administration in opposition. There did not seem to be a strong appetite held by the majority of legislators to move any type of a minimum wage increase at that time. At the close of 2014, little had changed. PFMA had helped to prevent the passage of a number of bills (HBs 1896, 1039, 1057, 1186 and SB 858) which sought to increase the state minimum wage from $7.25 per hour to anywhere from $9 to $10.10 per hour. HB 1896 included incremental increases and HB 1039 and SB 858 included yearly cost of living adjustments (COLAs).

On January 26, 2015, Sen. Scott Wagner (R-York) introduced a co-sponsorship memo to increase the minimum wage to $8.75 over three years. His bill would include no change to the tipped wage and a training wage of $7.25 would remain in place. The rate would also not be tied to inflation. PFMA is neutral on the Wagner proposal.

Gov. Tom Wolf’s Agenda

Nationwide, 29 states have a minimum wage above the federal level, according to the U.S. Department of Labor. With that in mind, Governor Tom Wolf expressed an interest in raising the state’s minimum wage to $10.10 per hour while campaigning in 2014. Saying that raising the minimum wage would create jobs, he also inserted that call to action in his March 3, 2015 state budget proposal for FY2014-2015.

Wolf’s “Fresh Start” plan, released in February 2014, outlined that raising the minimum wage to $10.10 an hour and indexing it to inflation would raise wages for 20 percent of Pennsylvania and lead to the creation of 5,000 jobs by 2016. He also called for raising the wage for tipped workers, such as waiters, to 70 percent of the regular minimum wage.

Philadelphia’s Push to Raise Minimum Wage

On December 1, 2014 the Philadelphia Inquirer reported that a group called 15Now Philly was calling into question a 2006 preemption clause added to the Pennsylvania’s 1968 wage act which states that the law trumps local ordinances on the topic of minimum wage hikes. That clause has long been read as banning cities from setting their own rates.

15Now Philly argues that the intent of the state law was to protect workers from low pay. The preemption, read with that intent in mind, may be unclear on whether it bans municipalities from going above, or only below, the state wage. In June 2014, Mayor Nutter signed an executive order setting the minimum wage for city contract workers at $10.88. In October, Council approved a tax break for companies that pay $12 an hour.

On March 4, 2015, the Philadelphia City Committee on Commerce & Economic Development held a hearing on proposed resolution 141039, which authorizes the Philadelphia City Council to hold hearings regarding increasing the minimum wage to $15 an hour in the City of Philadelphia.

PFMA will monitor this issue closely and take action where appropriate, as it is likely to continue to be discussed locally and on the state and federal levels.

Pharmacy

Immunization Access

PFMA supported HB 776 (Rep. Seth Grove [R-York]) and SB 819 (Sen. Edwin Erickson [R-Delaware]) — two bills allowing pharmacists to administer injectable medications, biologicals and immunizations to children under the age of 18 (with parental consent.)

SB 819 passed the Senate on June 27, 2014, but it saw no further movement at the end of session.

That particular bill would allow immunizations to be administered to children seven and older with parental consent and was amended to restrict the administration to influenza by injectable or needle-free delivery methods.

On January 22, 2015, Rep. Grove reintroduced his legislation in the form on HB 182. The bill passed the House at the end of March.

Senator Thomas McGarrigle (R-Delaware) introduced a companion bill to allow pharmacists to provide influenza injectable immunizations, medication, and other biological to individuals over 7-years of age so long as a set of guidelines are followed and the pharmacist carries at least $1 million in medical liability insurance. Parental consent would be required.
Pharmacy

Non-Resident Pharmacies

HB 1822, sponsored by Rep. Rob Kauffman (R-Franklin), would require pharmacies located outside of Pennsylvania to register biennially with the State Board of Pharmacy if they fill prescription orders for residents of the Commonwealth. The bill also requires pharmacies to have a valid license in their home state and provide a copy of their most recent inspection report. The board may deny, revoke or suspend any certificate of registration as a nonresident pharmacy upon proof satisfactory to the board that the nonresident pharmacy has had its permit to conduct a pharmacy suspended, revoked or otherwise disciplined by the proper licensing authority of another state. PFMA was able to advance the bill through the House and on to final consideration in the Senate.

Rep. Kauffman reintroduced his bill as HB 75 on January 14, 2015. HB 75 passed the House by a vote of 198-0. It now goes to the Senate.

Prescription Database

Sen. Pat Vance (R-Cumberland/York) introduced SB 1180 to establish a new database program within the Department of Health (DOH) to collect and monitor Pennsylvanians’ prescription medication records (only) if the substances fall on Schedules II-V of the federal controlled substances act. The confidential database would alert practitioners to patients who may be “doctor or pharmacy shopping” to feed an addiction.

Plastic Bags

The plastic bag issue was discussed on the city council level in Philadelphia as well as on the state level in the form of SB 1080. The legislation authored by Sen. Daylin Leach (D-Montgomery), which would have imposed a fee of two cents-per-plastic bag supplied by a retail establishment to a shopper at the point of sale, was held up in the Senate Finance Committee due to efforts of PFMA and its membership.

PFMA opposes new taxes on plastic bags and banning of their use in Philadelphia and in the Commonwealth. We support aggressive and comprehensive recycling programs as a common sense, effective alternative.

Government Relations

Philadelphia Specific Issues

Business Tax Credit for Higher Minimum Wage

On October 16, Philadelphia City Council approved a proposed ordinance (140641) that provides tax cuts to those businesses that offer a $12-per-hour wage to service industry employees. The ordinance was signed by Mayor Nutter on October 29, 2014. Businesses may now collect a $5,000 tax credit for each new full-time employee they hire as long as their pay rate is set at $12 per-hour or higher. This tax break stays into effect for five years for each employee hired.

The bill is an extension of a tax-credit program that has been around since 2002.

2015 Mayor’s Race

PFMA has begun to discuss the 2015 Mayor’s race with our members. We will keep a close eye on any important developments and look to our membership for guidance on what action to take.

Nursing Mothers Accommodation

City Council Bill 130992 mandates that employers provide breast-feeding employees a private, sanitary space and the necessary time to express breast milk. The ordinance was proposed in June and signed into law by Mayor Nutter on September 3. The legislation, introduced by City Councilman David Oh, extends benefits that were given many women under President Obama’s Affordable Care Act (ACA). The new ordinance covers all employees. It offers exemptions only to businesses that can show accommodation would cause “undue hardship.” Businesses that do not comply face a $2,000 fine and compensatory damages.
Pharmacy, continued

Issues Summary

Sales Tax

PFMA Special Sales and Use Tax Committee on Meals

In 2014, PFMA formed a special sales and use tax committee to review the meals tax in Pennsylvania. This offered an opportunity for members to meet with Department of Revenue officials to work toward a better definition of what constitutes a “meal.” The object is to eliminate otherwise ambiguous language and promote a clearer understanding of taxability at the retail level.

Revenue officials met informally with PFMA to go over a current listing of taxable items in Pennsylvania and the descriptive narrative that is posted on the Department of Revenue website. Our concern was that we may lack uniformity in the application of the sales tax on food sold by eating establishments. Department officials noted the importance of establishing clear policies on taxability so that consumers will understand why some items are taxable and others are not.

In a follow-up meeting, the Industry expressed the desire to be in compliance with sales tax regulations while being accurate in not over or undercharging customers for sales tax on meals. Regulations have not kept up with the changes in today’s food offerings. The retail food industry understands that sandwiches and salads are meals, but when a customer picks up a clam shell and fills it with pre-cooked turkey, gravy and vegetables, the sales taxability of that item becomes a bit cloudy. The Department of Revenue’s sales tax document (REV-717) is only required to be updated every three years.

PFMA will host another meeting in 2015 to discuss the department’s definition of a meal and circulate an update to members. Our work on this important matter could possibly serve as a template for use in other states and for training Pennsylvania businesses on best practice standards.

Property Tax Elimination

PFMA, along with a coalition of 41 other business and advocacy organizations, actively opposed SB 76 [Sen. David Argall, (R-Schuylkill)] and HB 76 [Rep. Jim Cox (R-Berks)] as they sought to shift property taxes to increases in the sales, hotel occupancy and personal income taxes as an offset. These bills also called for broadening the scope of items subject to the sales tax by including more food, home and clothing products. These increases would have directly impacted our members businesses and their customer’s ability to purchase products at their stores.

PFMA also helped to prevent the passage of a related bill, HB 1189 [Rep. Seth Grove (R-York)], which would have amended the Local Tax Enabling Act to authorize a school district to implement an additional earned income or business privilege tax with the additional revenue used solely for the reduction or elimination of school property taxes. This would have resulted in the tax burden being shifted completely to the business community. Also, some municipalities would have chosen to reduce their property taxes and raise other taxes while others would not. This would have created a competitive disadvantage for businesses located in multiple municipalities depending on what action was taken.

Sales Tax Vendor Allowance

PFMA continues to advocate to maintain the current 1 percent Vendor Sales Tax Collection Allowance so that retailers can continue to be reimbursed for the administrative costs they incur for collecting the tax for the state. The elimination of the sales tax vendor allowance continues to be a yearly budget discussion item that is held up for the chopping block.

The legislation allows database access to DOH staff for maintenance, prescribers and dispensers of medication, law enforcement (via the state Attorney General’s Office) and other approved individuals to monitor prescription distribution to prevent the abuse of those drugs. Patients with prescriptions would be able to obtain their records at no charge once a year.

The bill was signed by the Governor as Act 191 of 2014 on October 27. PFMA was supportive of the legislation, but preferred more stringent access to the database by law enforcement.

On February 12, 2015, Sen. Vance stated that until recently she was sure that the database would be running by June 30, 2015. However, at this time, there is no money allocated within the proposed state budget for the project, which is expected to cost an estimated $1 million.

U.S. Sen. Pat Toomey (R-PA) was in Harrisburg on February 9 to discuss the reauthorization of an expired federal bill which can provide funds for state programs to fight drug abuse, such as Pennsylvania’s database. Sen. Toomey said the initiative has strong support in both parties. If the federal bill passes, Pennsylvania could apply for funding. However, the funding is not expected to be available prior to the launch of Pennsylvania’s database.
Sick Leave

Philadelphia Paid Sick Leave

On December 1, 2014, the Philadelphia Paid Sick Leave Task Force, which was appointed by Mayor Nutter in June, released its recommendations on paid sick leave policies in Philadelphia. Mayor Nutter accepted the recommendations. According to their report findings, 16 cities and 3 states have paid sick leave ordinances.

On December 11, 2014, Council member Greenlee proposed ordinance 141026 requiring paid leave. The bill’s quick trajectory included being reported favorably on February 3 to being signed by Mayor Nutter on February 12, 2015. The paid sick leave ordinance will take effect on May 13, 2015. Provisions of the Philadelphia paid leave ordinance include:

- Any business located within Philadelphia that employs ten or more individuals must offer paid leave.
- All employees that work full-time, part-time or on a temporary basis are used in determining the ten employee number.
- A chain establishment that has 15 or more locations generally would be required to offer paid leave.
- Any employer with less than ten employees must offer unpaid leave that still meet the rest of the bill’s requirements.
- All full and part time employees, unless they work less than 40 hours/year in the City of Philadelphia, are included.
- Exempt employees include any individual covered by a collective bargaining agreement.
- Beginning the first day of employment, an employee will accrue one hour of leave for every 40 hours worked.
- Leave cannot be used by an employee until after the 90th day of employment.
- Paid leave can be used in hourly increments or the smallest increment that the employer’s payroll system uses to account for absences or use of other time.

State Level Paid Sick Leave

On the state level, Rep. Todd Stephens (R-Montgomery) introduced HB 1796, which would establish a statewide paid and unpaid leave preemption for local municipalities. Under this bill, all leave legislation would be implemented on the state level which would offer much uniformity for multi-store operators. PFMA, along with the Pennsylvania Restaurant Association, PA Chamber, NFIB and Retailers association, had been advocating aggressively for its passage. However, during the week of October 16, Senate Democrats made a motion to remove our preemption language from HB 1796. The motion was supported by six Republicans as well. PFMA was extremely disappointed in the decision as the bill ended up being signed into law by Gov. Corbett.

On February 12, 2015, Sen. John Eichelberger (R-Blair, Cumberland, Franklin, Fulton, Huntingdon) introduced SB 333 and on January 22, 2015 Representative Seth Grove (R-York) introduced HB 184 — two pieces of legislation that would prohibit local municipalities from enacting paid and unpaid leave ordinances. In March 2015, SB333 passed the Senate.

We will continue to push for passage of HB 184 to pre-empt the Philadelphia sick leave ordinance, although it will be difficult to get something of this nature passed by Governor Wolf.

In related news, Allegheny County will soon offer similar benefits to nearly 1,000 of its employees. County Executive Rich Fitzgerald announced the new policy at a news conference on February 24, 2015 with officials including Pittsburgh Councilwoman Natalia Rudik, who proposed legislation that took effect for 430 city workers on February 10. Rudik’s hope is for this policy to spread to the private sector.

PFMA opposes a patchwork of individual municipalities’ paid and unpaid leave ordinances. We believe a statewide approach to such issues makes the most sense for businesses and their employees.

SNAP

Asset Test Elimination

In early 2012, the state Department of Public Welfare (DPW) announced a plan to implement an asset test for those state citizens seeking to qualify for Supplemental Nutrition Assistance Program (SNAP) benefits. At that time, there was only an income test in place. Under the test, households with people under age 60 are limited to $5,500 in assets to qualify for SNAP benefits. For households with older residents, or those with people with disabilities, the figure is $9,000. Houses, retirement benefits, and one car are not counted as assets. Additional vehicles worth more than $4,650 are counted. Prior to the asset test’s re-institution, PFMA staff strongly voiced opposition to its implementation.

Pennsylvania is one of just 12 states to institute an asset test. Of the nearly 900,000 households in the state receiving SNAP benefits in January 2013, only 203 (0.02 percent) were found to be ineligible because they had too many assets, according to calculations by the Coalition Against Hunger.

On March 21, 2014, PFMA staff met with DPW officials to discuss SNAP cuts, the revocation of the asset test and other issues.

During his campaign, Gov. Tom Wolf said he would try to restore cuts or restrictions imposed by Gov. Tom Corbett to the SNAP program. His campaign plan outlined a possible restoration of a General Assistance (GA) $200-per-month cash benefit for the poor and disabled and to revoke the asset test.

In April 2015, Governor Wolf announced the asset test would no longer be used to determine SNAP eligibility.
SNAP, continued

Farm Bill & Heat and Eat Program

President Obama signed a new Farm Bill into law on February 7, 2014, which called for several changes for retailers who participate in the SNAP program. The Farm Bill became effective 30 days after enactment with a state option to delay implementation for up to five months for current Low Income Home Energy Assistance Program (LIHEAP) participants. The bill included an $8 billion reduction in SNAP benefits over 10 years only for those recipients receiving a LIHEAP benefit from their state of residence. Pennsylvania was among 16 states that participated in the program.

Prior to the Farm Bill’s passage, recipients receiving LIHEAP benefits for as little as $1 per year qualified for up to an additional $90 a month in SNAP benefits for a family of four. The farm bill set a new minimum, requiring LIHEAP benefits of at least $20 per year in order for the family to qualify. According to the state DPW, 400,000 Pennsylvania households were slated to lose a monthly average of $60 to $65 each in benefit reductions, amounting to $300 billion a year.

Gov. Tom Corbett prevented an estimated $3 billion in cuts to SNAP over the next decade by committing to increase federal energy aid from $1 to $20 in Pennsylvania. The governor earmarked an additional $8 million in 2014 to cover the $19 increase in LIHEAP now required.

PFMA staff worked closely with staff in the Governor’s office on this issue and we were pleased that Gov. Corbett ultimately took in consideration Pennsylvania’s hunger advocate points and business interests so that state residents would not be severely impacted by these federal cuts.

Under the Farm Bill, SNAP retailers are now required to implement point-of-sale (POS) technology systems that won’t allow SNAP benefits for the purchase of ineligible items and will further preclude cashiers from manually overriding this prohibition. Retailers who do not have the technology at POS will eventually need to upgrade their systems. According to the National Association of Convenience Stores (NACS), this provision does not become effective until the U.S. Department of Agriculture (USDA) issues regulations implementing it.

The bill requires SNAP retailers stock at least seven different items in each of the four “staple food” categories. SNAP retailers must stock at least one “perishable” food item in at least three of the four staple food categories.

Retailers were no longer offered free EBT equipment, supplies and related services by the state. Retailers authorized on or before March 21, 2014, and who had already been given free EBT equipment and services by the state were given the option to continue to use the equipment and services for up to September 21, 2014.

SNAP Cuts and Sales Restrictions

In 2014, PFMA prevented the passage of amendments to Rep. Mike Reese’s (R-Westmoreland) HB 907 which would have put severe limits on the products individuals participating in the SNAP program could purchase.

From August - September, the USDA held a public comment period regarding its official request for information (RFI) to provide more information to the public about the amount of SNAP benefits used by participants at individual grocery stores and retailers. There was a strong interest in making this data public so that policy makers could better understand which stores profit the most from SNAP, what kinds of foods they promote and sell, and what their business practices entail. Unlike the Women, Infants and Children (WIC) program, which restricts purchases to foods that are deemed nutritious, hunger advocates are concerned that SNAP participants can use their benefits on virtually all foods.

PFMA will continue to oppose additional cuts and sales restrictions to the SNAP program in 2015.

SNAP Disbursement Allocation

In the fall of 2014, PFMA members inquired as to whether the state would be open to spacing SNAP disbursement dates out. SNAP benefits are always issued within the first ten days of the month in Pennsylvania. Many counties will disburse benefits on one or two of those dates often causing long lines at the register and depleting stock. Larger counties such as Philadelphia use all ten days to serve their population.

In January 2015, PFMA staff had a productive meeting with the Department of Human Service (DHS), formerly DPW, on altering the SNAP benefit disbursement schedule. The changes will require a substantial amount of reprogramming that will need to be carried out by DHS and its contractors. PFMA will continue pushing forward on this issue.

Welfare Fraud Tip Line Signage Requirement

Rep. Thomas Murt’s (R-Montgomery) HB 993 passed renaming the Department of Public Welfare (DPW) to the Department of Human Services (DHS). A provision included in the bill required the DHS to establish a toll-free telephone number and email address for persons to report suspected fraud or abuse of public assistance programs including SNAP. The bill was signed into law by Governor Corbett on September 24, 2014.

HB 993 also requires store owners, who accepts SNAP transactions or medical assistance, to post an 8.5x11-sized sign containing information regarding the toll-free DHS fraud tip line in a conspicuous manner clearly visible to the public and employees inside the business.
Government Relations

WIC

PFMA staff attended a Women, Infants and Children program (WIC) Vendor Advisory Group meeting on May 6, 2014. Topics covered included the USDA final food rule and split tender requirement for the cash value voucher; an update and overview of proposed changes to the Pennsylvania vendor regulations; results of a recent survey, explanation of the competitive and maximum allowable prices, and an overview of the vendor assistant website.

On November 19, PFMA staff participated in a follow up WIC Vendor Advisory Group meeting in Harrisburg. Topics covered in this meeting included UPC database collection, and the Smartcard option selected – Pennsylvania’s QuickWIC system is antiquated and will be replaced by a new Management Information System (MIS) and Electronic Benefits Transfer (EBT) of WIC benefits.

Pennsylvania Department of Health WIC division officials are working with other states that already have an EBT system in place for WIC purchases in order to best implement e-WIC in Pennsylvania. Under the new system, a retail store’s point of sale system may not recognize products as WIC allowable and product overriding will not be able to happen with the new EBT system.

Workers’ Compensation Costs

On October 23, 2014, PFMA applauded the state legislature’s passage of a bill closing a loophole allowing dramatic mark-ups of physician-dispensed medications to injured workers. HB 1846, sponsored by Representative Marguerite Quinn (R-Bucks), which aimed to counter rising workers’ compensation costs, was signed by Governor Corbett into law in October.

HB 1846 placed the same price cap on physicians dispensing medication for injured workers, which pharmacies and other providers must already follow. It would also limit the duration in which physicians can dispense medications, since studies show that patients who were dispensed medication from their prescribing physician tend to stay out of work longer and receive more medication.

In recent years, Pennsylvania saw more physicians partnering with out-of-state drug repackaging companies to dispense medications directly to workers’ compensation patients. Thus exploiting a loophole to avoid the price cap on medications and create spikes in drug pricing, which are charged to the workers’ compensation system.

PFMA worked closely with a diverse coalition of companies and organizations to push for passage of this legislation. State pharmacies may see an uptick in sales and businesses should see that Workers’ Compensation program costs are better kept in check with this capped reimbursement system.

The WIC division is hoping that retailers can export their list of UPC/PLU’s. They may be able to accept codes collected for other state’s program upgrades. Pennsylvania has not decided our new program will use the specific PLUs, the generic PLU or a combination of the two. WIC officials recognize that there is value in having the specific PLUs, but there is also a cost in their management.

If a store chooses the integrated POS option, then all lanes should be able to transact WIC EBT. If a store chooses the stand-beside option, there may be WIC-specific lanes.

Relative to milk purchases, ultra-skin prescriptions were no longer allowable as of February 1, 2015. Some prescriptions will have 2% milk prescribed due to nutritional need (underweight child, etc.), but it will be listed specifically on the check. Otherwise 1% milk purchases are the prescription.

Questions?

If you have any questions about the issues in this report, or you would like to get involved with PFMA’s committees, please contact our government relations office at 800-543-8207, x5922.
The Delaware Food Industry Council had a productive 2014. The council celebrated accomplishments and planned its 2015 initiatives during a strategic planning session with Board members in December.

Following the planning session, DFIC held its Winterfest event at the Christiana Hilton where it awarded food industry members for leadership.

DFIC Executive Director Julie Miro Wenger presented Dan Tanzer, ShopRites of Delaware, with the Advocate of the Year award. He has always taken the approach of helping to identify problems that the industry is facing and working on a solution for the greater good and benefit of all food retailers. He is an outspoken advocate that has brought issues to the DFIC, such as changing the SNAP disbursement dates.

The supermarket business has always been about high volume with low margins which equals about one to one and a half percent profit margins. With the recent down turn in the economy and more of our fellow Delawareans receiving SNAP benefits, our stores were feeling overburdened between the fifth and 11th of the month when SNAP benefits were issued, and experiencing low volume by the end of the month. Last March, a change to Delaware’s Food Supplement Program spread out the monthly distribution of food benefits that help to feed more than 157,000 Delawareans over 15 days instead of what had been the norm of seven days. The change allowed grocery stores more time to re-stock their shelves with fresh and nutritious foods. It also helped customers and grocery stores avoid long checkout lines.

Until March food benefits were uploaded to clients’ electronic benefits transfer (EBT) cards between the fifth and the 11th of each month. The benefits tend to be spent quickly once they are received. As of March 2, 2013, the distribution of food benefits will be spread out between the second and the 16th of each month. This was a huge win-win for both SNAP clients and supermarkets.

Our Advocate also saw the potential to help bring awareness to our agriculture community and created a partnership whereby more than 160 Delawareans received an up-close and personal look at life on Delaware farms on a bus tour jointly sponsored by the Delaware Department of Agriculture and Kenny Family ShopRite stores.

The tour took New Castle County residents to visit farms in Kent and Sussex counties: Fifer Orchards of Camden; T.S. Smith & Sons of Bridgeville; and Evans Farm of Bridgeville. (Cont. on page 24)
Partner Council

All of the farms grow for ShopRite. Events like this give more people an opportunity to see how our farmers grow the fresh, local produce.

Dan Tanzer is a champion for our industry because he recognizes issues that can be addressed and will benefit the whole industry. The food industry is an integral part of the economy and we are the local neighborhood community stores where everyone goes for their basic needs: food, pharmaceuticals and fuel.

**Pharmacist of the Year**

John McGill, pharmacy manager for Walgreens, received the Pharmacist of the Year award. As a pharmacy manager, John developed a relationship with the Senior Center in Seaford and visits there weekly to speak and educate the seniors about their medications and health.

He is a district lead with Medication Therapy Management and mentored and educated the pharmacists with Walgreens to perform crucial counseling activities that have saved the citizens of Delaware possible healthcare concerns and thousands of dollars in healthcare expenses. He worked with many local businesses and health care organizations to immunize their employees for the prevention of the flu. He also worked diligently in his store to provide all his senior citizens with immunization for the prevention of Shingles and Pneumonia.

**Partnership of the Year**

Walgreens is one of the nation’s largest employers and has a long standing commitment to the inclusion and hiring of People with Disabilities. Diversity and Inclusion is part of the fabric of their company and centers at the core of their cultural beliefs.

In 2007, Walgreens boldly set out to change the way they do business, change lives and change their company. Their success in their distribution centers became an example by which many companies across this nation, and the world now use their model to employ People with Disabilities.

The lessons learned in the distribution centers was the impetus for them to think bigger and seize the opportunity to make a real difference in all communities they serve and the 8,600 stores they operate nationwide.

In 2010, they deployed the Retail Employees with Disabilities (REDI) program. More than 500 candidates have gone through the REDI program in 100+ stores across 17 of their markets. In Delaware, they have six stores participating in the program.

Through REDI, people with disabilities spend four weeks in on-the-job training in jobs such as service clerks. The success of this program has given opportunities to folks that may have not been considered previously for employment in retail. The Walgreens REDI model provides each extern with an opportunity to develop valuable retail skills.

Governor Markell recognized Walgreens for its REDI program, and he visited their Naaman’s Road store with Secretary Rita Landgraf to observe REDI in action.

REDI is a perfect example of how employers can partner job training opportunities and blend into the working community. After seeing externs working, I can say Walgreens does not employ people with disabilities, but they employ them for their abilities.

**Retailer of the Year**

Giant Food of Landover, Md. has demonstrated a commitment to leadership and active community involvement throughout Delaware. Through its ongoing support of the Food Bank of Delaware, Giant helped make strides in the fight against hunger in the state. In February, Giant donated 60,000 pounds of products to help the food bank reach its goal in the Share a Second Helping Food Drive. In April, Giant donated 200 hams to the Food Bank of Delaware. Giant’s six Delaware stores also hosted a Memorial Day weekend food drive to collect nonperishable food items for the food bank.

In September, the same six stores hosted a “Hunger Action Month” campaign to collect hundreds of charity boxes containing healthy food items for the Food Bank of Delaware. Most recently, in November Giant donated 1,000 turkeys to the food bank to help provide Thanksgiving meals for community members in need.

In addition to these programs, Giant’s Family Foundation awarded a 3-year, $300,000 Child Hunger grant to the Food Bank of Delaware. In 2014, funding from Giant’s Foundation enabled the Food Bank of Delaware to provide more than 102,000 meals to community members in need. Combatting hunger in local communities is central to Giant’s values as a regional grocer, and Giant continues to make a difference in Delaware through its partnership with the Food Bank of Delaware.
Delaware Food Industry Council

**Key successes:**

**Taxes**
There are many positives to celebrate with the end of the Delaware legislative session.
- No water tax
- No gas tax
- No $10.10 minimum wage increase
- No money grab from the bottle bill. So the 4 cents on bottles did sunset as planned the end of 2014. As of December 31, 2014, retailers no longer need to collect the fee or remit to the state. Delaware is officially the first state to rescind a bottle deposit.

**Minimum Wage**
DFIC was instrumental in writing the amendment to take out the Cost of Living Adjustment (COLA) component of SB 6, the Minimum Wage bill. SB 6 bill passed the Senate but did not garner traction in the House.

Under this Act, the minimum wage would increase to not less than $8 per hour effective July 1, 2013, and not less than $8.75 per hour effective July 1, 2014. If the federal minimum wage becomes higher than the state's minimum wage, Delaware’s minimum wage would increase by $1 above the federal minimum wage. In addition, effective July 1, 2014, the minimum wage would increase by a percentage equal to the percentage of COLA as determined periodically under the federal Social Security Act, with the increase in the hourly rate being effective 90 days after the effective date of the corresponding increase in federal Social Security benefits.

**Plastic Bags**
HB 198, a plastic bag bill, was signed by the Governor in August. The plastic bag at store recycling program will continue as is with a new 3-year sunset. The new sunset will go until December 2017.

**Fuel**
DFIC was on hand last fall as the Governor signed HB 367, an underground storage tank bill. The Act clarifies the definition of “facility.” Under chapter 74, a facility remains subject to remediation and other continuing requirements after any removal of tanks from the facility.

In addition, the Act clarifies the authority of the Delaware Department of Natural Resources and Environmental Control to access the property and use Hazardous Substance Cleanup Funds to confirm suspected releases from underground storage tanks, and to investigate and clean up releases of petroleum and other hazardous substances resulting from leaking underground storage tanks. Further, the Act amends the financial responsibility statutory language to be consistent with existing federal requirements.

Finally, in order to protect public health and the environment, the Act clarifies that, when site conditions warrant it, the Department may require that an environmental covenant be placed on a property as part of a risk-based environmental cleanup of contamination resulting from a release from an underground or above ground storage tank.

**Environment**
HB 368 provides environmental cleanup liability protections for lenders who foreclose on properties that contain above-ground storage tanks and sets forth the criteria and process for lenders to maintain this liability protection. This Act also corrects an omission that occurred when House Bill 95, as amended by Amendment 2, was passed last Legislative session on June 27, 2013 relating to specifying a time frame for the Department Of Natural Resources and Environmental Control to file an environmental lien with the Recorder of Deeds.

**Workers’ Compensation**
HB 373 makes substantial changes to Titles 18 and 19 of the Delaware Code designed to control the level of workers’ compensation premiums in Delaware. The most significant changes are a 33% reduction in medical costs to the workers’ compensation system, which is phased-in over a period of three years; absolute caps, expressed as a percentage of Medicare per-procedure reimbursements, on all workers’ compensation medical procedures beginning on January 1, 2017; and increased independence for the advocate who represents ratepayers during the workers’ compensation rate approval process, and for the committee that oversees the cost control practices of individual workers’ compensation insurance carriers.
Unclaimed Property
The SCR59 resolution establishes the Unclaimed Property Task Force to inquire into, examine, study and make findings and recommendations related to improving fairness and compliance in Delaware’s unclaimed property program.

Pharmacy
SB 118, a BioSimilar bill, would make it onerous to substitute a BioSimilar with a generic. This bill authorizes pharmacists to substitute U.S. FDA approved interchangeable biosimilar biological products for prescribed biological reference products with certain safeguards. To substitute a biosimilar product, pharmacists must provide notices; record information on the label and dispensation record; and maintain a 3 year record of such substitutions. This bill also provides certain liability protections for pharmacists who substitute biosimilars. We were unsuccessful in keeping SB 118 from the floor.

Privacy
HB 294 requires an employer to shred or destroy employee records with personal identifying information when the employer no longer retains the records. An employee harmed by the employer’s failure to comply with this section can sue for triple damages.

HB 295 puts stricter penalties on businesses that do not safely destroy documents containing personal information. Aggrieved customers will have a civil action to recover potential treble damages. In addition, the attorney general may file suit or bring an administrative enforcement proceeding against the business in violation if it is in the public interest. Banks, financial institutions, and certain other regulated institutions are exempt, as are governments and their subdivisions, agencies and instrumentalities.

Looking to next session
We will create a consumer engagement campaign to introduce the concept of beer wine sales in our stores to consumers. We will also continue to work on Collaborative Care.

DFIC Officers and Board of Directors

Chairman
Richard Kenny
Kenny Family ShopRites
Wilmington, DE

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

Treasurer
Craig Clarke
Walgreens, Inc.
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Wakefern Food Corporation
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Tom Cormier
Ahold USA
Carlisle, PA

Angela Perez
Acme Markets, Inc.
Malvern, PA

Karen Sisson
Walgreens, Inc.
Delaware

Ellen Valentino
Delaware Beverage Association
Annapolis, MD

Rich Wood
Wawa, Inc.
Wawa, PA

Teross Young
Food Lion, LLC
Salisbury, NC
Pennsylvania Coupon Redemption Services

PCRS Provides Quality Processing & Superior Customer Service

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

It is also the largest retail coupon clearinghouse owned and operated by a retail association. Fifteen hundred retailers in Pennsylvania and other states entrust their coupon processing needs to PCRS.

For decades now, coupons have been the go-to promotional tool for CPG retailing — no other vehicle has proven as successful at influencing shoppers to try a new product, make a repeat purchase or switch brands. 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 the independent food retailer. Features of the program include:

• Fast and accurate processing utilizing 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;
• Experienced and professional customer service support;
• A commitment to obtaining fair treatment for independent grocers in the often complex payment process and dispute.
• Updates on couponing practices and trends that may impact a retailer’s business — for example, the development of coupon policies that protect against counterfeit coupons, extreme couponing and digital coupon formats, and the future of print vs. pixel offers.

PCRS can also help its clients process the electronic coupons that shoppers select from retailer or digital coupon publisher websites and download to their frequent shopper cards. Through our processing partnership with NCH Marketing Services, PCRS has access to a digital coupon clearing process that delivers the same accuracy, effectiveness and oversight that PCRS provides for paper coupon clearing.

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.
MEMO Celebrates 28 years of Success that Results from Focusing on Superb Customer Satisfaction

Our mission remains the same since our inception, which is: “To provide high quality, low cost money services products to retailers, to improve the public image, effectiveness and profitability of companies in the retail and wholesale food distribution industry and related businesses.”

Our core business strategies also remain the same, which are: Continuous Growth, Market Development, Business Alliances/Joint Marketing and New Product Development.

We are proud of our track record that has enabled us to maintain a dedicated agent base in our 20 core operating states throughout the years.

We provide money service products to a diverse market of retailers that offer alternative financial services to their consumer base.

Our core products are MEMO Money Orders and MEMO Bill Payments, which have ensured ongoing profitability in spite of very competitive and changing market conditions.

Our keys to success include:

• Superb customer service featuring dedicated account representatives, on-shore bilingual call center representatives, help desk technical support center, 24/7 customer service support via MEMO’s automated IVR system, a variety of agent sales reporting delivery tools, customized user-friendly website and personal interaction with agents and customers.

• Customized and flexible money order processing services to suit any situation, from one-on-one with the agent, providing turn-key front and back-end software, hardware and processing services, to full management of third party programs.

• A web-based, walk-in bill payments platform that works with any PC with broadband internet connectivity. Hundreds of billers, both authorized and non-contracted are in the MEMO network. Payments post real-time from the same day up to 2-3 business days, depending on the biller.

• A comprehensive anti-money laundering program to train and audit agents, ensuring the highest level of compliance. MEMO offers AML audits and program development to industry counterparts.

• A high priority and focus on our employees who are MEMO’s most valuable asset. The business is committed to promoting a positive work environment that encourages a high level of morale, productivity, advancement and dedication.
MEMO Financial Services, Inc. & Subsidiaries

The MEMO Leadership Team includes, from left, Terry Smith, operations manager; Tanya Butler, president; Kevin Lutkins, corporate counsel/compliance officer; Brian Posey, business and product development manager; Bryan Hannan, national sales director; and Pete Stuart, director of information technology.

Our future business opportunities are endless. We are excited about the upcoming launch of the new MEMO aXcess web-based POS system that offers a suite of products and services to our agents.

MEMO aXcess is our new integrated POS system, which will provide a bundled suite of products and services that are instantly available to merchants/agents. The web-based “real-time” application will initially provide access to MEMO Money Orders, MEMO Bill Payments, Prepaid Debit and Credit Cards, Anti-Money Laundering Monitoring and Reporting, Administrative and Cash Management Reconciliation. Additional products will be launched as they become available.

The MEMO team is appreciative of your continued dedication and commitment to our business. Our success is because of you, our many stakeholders. THANK YOU FOR THE OPPORTUNITY TO SERVE!

Compliance Dept. Monitors Regulations & Trains Agents

The Compliance Department maintains MEMO’s licenses in 20 states, monitors legislation that impacts the industry, and regulates the money transmitter licenses.

In 2014, three additional states in which MEMO operates passed legislation that adopted the NMLS online licensing system, bringing the total to 11 states that require MEMO to complete its licensing using the new NMLS system.

To comply with its legal requirements and continue receiving positive reports from all state and federal examiners, MEMO trained 776 agents, performed 67 anti-money laundering examinations of agents, monitored agent selling activity that identified 196 incidents of agent misuse. The department analysts investigated 354 incidents of suspicious activity in 2014.

MEMO staff keeps up to date on the latest industry techniques and information by attending relevant conferences, workshops and seminars. These activities allow MEMO employees to better identify and reduce the risks facing MEMO from the sale of its money orders, bill payments and other money services products.

Agents are always welcome and encouraged to use MEMO’s online anti-money laundering training tools for themselves and their employees. The Compliance Department also provides in-person and telephone training. To ensure agent compliance with applicable anti-money laundering laws, MEMO performs anti-money laundering examinations of some of its agent locations.

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MEMO Operations Provides Continuous Training & Cross-Training to Provide the Best Customer Service

2014 continued to provide a busy work environment with plenty of new opportunities and challenges in the Money Services Operations department.

We were very excited to have the opportunity to participate in testing our new software platform, MEMO aXess. All staff members were encouraged to provide their feedback and suggestions based on their extensive interaction with our agents and retail customers. This exercise provided a valuable learning tool as well as allowing for all opinions to be heard and considered in preparing the final product. We look forward to moving from the beta testing phase to a full launch of this new software platform.

As we look back at 2014, we see many familiar faces, as we have been fortunate to have maintained the same workforce throughout the year. We had four co-workers who celebrated a milestone of five years of service with the company and others approaching 15 and 25 years as members of our team. In total, our Customer Service/Operations Staff has a combined 69+ years of service. This experience allows us to have a very knowledgeable team who is able to face all daily challenges with the necessary tools to accomplish whatever is needed in the areas of processing and customer service.

We continue to pride ourselves on providing the best customer service in the industry. By providing continuous training and cross-training, we allow each team member to feel confident that they can assist with any situation they may encounter. Because many of our team members have been with us for a number of years, our agents feel comfortable that when they contact MEMO they will speak with a friendly representative who they have come to know by name over the years. The importance we place on providing outstanding customer service is reflected by the positive comments we receive on agent surveys and notes of thanks that we regularly receive from our retail customers.

Future enhancements to our customer service program will begin with the process of testing a new automated phone attendant that will be deployed in the near future. All representatives will again be given the opportunity to offer their input regarding the current functionality and suggestions for future improvements to the system. This type of feedback and cooperation from all levels of the organization will help to assure that we will continue to be a leader in the customer service arena.

The outlook for the future is very positive and exciting as we look forward to launching new products and determining the most efficient processing and customer service procedures related to the new products. Our efforts will remain consistently focused on assuring the most cost-effective and efficient policies and procedures available to promote the high level of agent and customer satisfaction that we strive to maintain on a daily basis.
MEMO Sales

Experienced Sales Team Builds Relationships with Current Agents and Potential Agents

MEMO Financial Services, Inc.’s sales department is responsible for expanding retail usage of MEMO’s alternative financial services such as money orders and bill payments.

The team is made up of five regional sales professionals with extensive industry experience and market knowledge. John Jones covers Northeastern PA, NY, RI, MA and CT. He just completed 25 years of service. Terry Quigley covers Eastern PA, Philadelphia, NJ, DE, Eastern Shore of MD and the five boroughs of New York City. Terry is celebrating 15 years of service. Steve Halterman handles OH, KY, Southern WV and Western PA. He has been with the company since 2003. Our newest member of the sales team is Jeff King. He is responsible for the VA, NC, SC and Southern MD market. Jeff just completed his first year with the company.

Since its 1986 inception, MEMO continues to focus on building relationships with our agents and maintains a personal touch with each agent despite our large geographic footprint. Serving as the public face of MEMO, the sales team takes pride in the close agent relationships that have been established throughout the years. Backed by the sales support team in the marketing department, we focus on listening to our current and potential customers so that we are able to identify and respond to their need for alternative financial services. The sales department is committed to providing our retail partners with easy to use, fast and secure alternative financial services that increase foot traffic, customer loyalty and store revenue.

We are excited to bring to market our new MEMO aXcess platform. MEMO aXcess enables MEMO to not only deliver all of our current services, but also future services as they are introduced. Furthermore, MEMO will now be in a better position to address the retailers’ desire to have these vital services in one consolidated package that increases the availability of valuable counter space. Our high-quality, low-cost products are available at more than 3,200 retail locations in 20 states and are used by more than 8 million consumers annually. In the near future, we intend to equip our entire sales team with tablet technology that should streamline their activities even more. This should allow them to respond more quickly to the needs of our clients and assist the team in continuing to provide that personal touch that is sometimes lost in today’s fast paced world.

As always, our sales professionals are always available to offer guidance on everything from setting proper retail fees that build transaction volume to how in-store promotional materials can be leveraged to drive sales.

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For more information on all of MEMO’s services, and how they can benefit your business, please contact us at 800-922-8079 or sales@memoco.com.
MEMO Special Projects

MEMO R&D Focuses on Consolidation of Services onto One Software Platform & Adding New Financial Services

Each year, the number of un- and under-banked consumers using alternative financial services (AFS) continues to rise.

According to the FDIC, 28.3% percent of all U.S. households conduct some or all of their financial transactions outside of the mainstream banking system. These households look to alternative financial services to conduct their financial transactions. The FDIC estimates that the transaction volume of alternative financial services is $320 billion annually.

As AFS continue to develop new and innovative services and become more readily accessible through mobile and other electronic devices, the market for these products will continue to grow. Consumers who regularly seek alternative means to pay for goods and services often look to conduct these transactions within their daily routines. The convenience of one-stop shopping makes grocery and convenience stores an ideal delivery channel for alternative financial services. One of MEMO’s primary goals is to provide retailers with profitable, convenient, and secure means to provide these critical alternative financial services to these consumers.

MEMO’s research and business development focus has been on the consolidation of services onto one software platform, adding new financial services to the platform, and capitalizing on synergies with other industry partners. Highlights of accomplishments for 2014 include:

- Successfully completed beta testing and the initial introduction of MEMO’s integrated software platform, MEMO aXcess, consolidating multiple MEMO products onto one system.
- Introduced bill payment opportunities to eight new states, allowing customers to pay electric, cable, phone, or other utility bills at MEMO agent locations. Now, agents in all of the states in which MEMO conducts business can accept bill payment transactions.
- Executed an agreement that expanded MEMO’s traditional and authorized walk-in bill payment program by allowing MEMO agents to accept contracted bill payments with more than 40 of the nation’s largest electric, cable and cellular phone providers. With a significant increase in the number of expedited payments available, agents will now have the ability to accept and post many payments the same day or next day.
- Developing new bill payment markets by partnering with local housing authorities to accept rent payments through MEMO’s bill payment portal.

MEMO’s Research and Development Committee works to development new products and technological advancements, including the new MEMO aXcess platform, which is being tested by some agents. From left, committee members include Pete Stuart, director of information technology; Tanya Butler, president; Brian Posey, director of business and product development; and Bryan Hannan, national sales director.

MEMO’s research and business development focus has been on the consolidation of services onto one software platform, adding new financial services to the platform, and capitalizing on synergies with other industry partners.
Marketing Enhances Communication and Interaction with Agents

The MEMO Marketing Department is looking to increase engagement with our agents and consumers. While we already provide personalized and prompt support to our agents, we are always looking for ways to better our communication methods to the more than 3,200 retail locations in 20 states. We have transitioned our direct mail campaigns to a format that will increase visibility for our team and provide a direct source of information to potential agents. Our marketing team has added digital communications to the mix by implementing electronic bulletins on new services and changes within our existing service offerings. This year will bring additional opportunities to streamline our operations with the use of mobile customer relationship management tools by our entire sales department. Our goal remains one of support to our regional sales representatives and to our extensive network of agents.

In an effort to increase our availability and dedication to customers and our agents, we will be publishing a new website with enhanced interactivity and rolling out a social media campaign that links to our website. Our new site will assist customers in finding our agents with improved location features and provide our current agents with a higher level of sales support in ordering free signage, downloading forms and accessing reports. Our social media campaign will keep consumers informed of new agent locations as well as best practices and milestones with some of our best agents. It is our pleasure to serve the agents of MEMO and our goal to do so in the best possible way. Several key accomplishments in 2014 include:

• Transitioned direct/bulk mailings to a postcard format with a tear-off reply card to increase visibility and responses.
• Completed direct mail campaigns to reach potential agents in additional areas as we expanded our Bill Payment Services. States targeted in 2014 for direct mail were West Virginia, Ohio, Rhode Island, Georgia, Massachusetts, Kentucky, Maryland, Pennsylvania, Florida, Michigan, Texas and New York.
• Created Constant Contact email format for digital communication with agents. Have initiated the use of alerts/bulletins for changes in biller lists and processing features for bill payment agents and to inform agents when a sales rep will be in their area.
• Prepared for 2015 Trade Show Season with plans for participating in six planned shows: Liberty USA (Pittsburgh, PA), South East Petro (Myrtle Beach, SC), Tripifoods (Buffalo, NY), C&S Wholesale (York, PA), OMEGA (West Virginia), and Country Fair (Erie, PA).

Future Outlook
• Both the Marketing and Sales teams are looking to digitize agent manuals and streamline processes in consideration of new services for MEMO. We are testing the use of Microsoft Surface Tablets in the field with sales reps and are looking to enhance our sales and marketing team engagement by implementing customer relationship management software in the near future.
• We will be publishing a new website with enhanced interactivity features that will assist customers in finding our agents and provide our current agents with a higher level of sales support.
• Finally, in an effort to increase our availability and dedication to customers and our agents, we will be rolling out a social media campaign that is linked to our new website. Our social media campaign will keep consumers informed of new agent locations as well as best practices and milestones with some of our best agents.
The Finance Division serves the Pennsylvania Food Merchants Association and its business subsidiaries. The overall goal of the Finance Division is to manage investments and cash on a daily basis; gather payments; collect and protect accounts receivables; process accounts payables; manage and enforce internal controls; manage, process and update payroll information; manage employee benefits; prepare and present a comprehensive budget; and to ensure the company maintains a positive net worth value.

Several key projects were implemented during 2014 that include:

- The modification of daily reconciliation of the money order and bill payment system to achieve a more efficient process.
- The effective collaboration with IT staff to modify the proprietary time and attendance software to interface directly with the payroll system. This integration eliminated the need for manual entry of employee time and resulted in payroll being completed in a timely and more efficient manner.
- The implementation of the Employee Self Service system that enables employees’ greater access and control of their HR records. The automated system also provides the employees with the ability to access comprehensive payroll information, as well as to print their own payroll check stubs and W2 documents.
- The ongoing cross-training of the Accounting employees to ensure adequate back up for essential daily tasks.
- The rewrite and update of the Accounting Policies and Procedures Manual, which is scheduled for completion during 2015.

The annual budget process is a key element of the Accounting department responsibilities and is effectively implemented in collaboration with key department managers. All areas of the business are evaluated to consider necessary budgetary changes and solutions that keep the company's net worth balanced and ensures positive profits. The budget preparation process is consistent with the corporate goals, established timeline and requires final approval by the Board of Directors.

Credit Manager
Dan Oliva
doliva@memoco.com

The Credit and Collections Department has three full-time employees and is a component of the MEMO Finance Division. The department implements daily monitoring of the existing agent base to ensure full compliance with established credit criteria.

Any changes to the established credit and collections policies and procedures are evaluated and approved by the Risk Management Committee. This committee provides extensive oversight ensuring adequate controls are established and enforced to protect business assets, while minimizing risk and exposure.
Facilities

PFMA Office Location Convenient to Harrisburg with Ample Parking

The Pennsylvania Food Merchants Association and its business subsidiaries operate from a 43,647 square foot office building, which is conveniently located two miles from downtown Harrisburg and the state capitol building.

In 2014, the PFMA building was remodeled to repurpose a small space on the main floor to provide an additional break room.

The exterior now has an updated sign with the PFMA, MEMO and PCRS logos and repaired lighting. In addition, the concrete on the front steps was repaired and the wrought iron railings were repainted.

PFMA's office is located at 1029 Mumma Road in Wormleysburg, Pennsylvania.

Lenny Semick helps maintain the PFMA building and runs errands.

Lenny Semick
Maintenance staff

The Risk Management Committee provides extensive oversight to MEMO accounts to protect business assets, while minimizing risk and exposure. Committee members include, from left, Dwight Cromer, CFO; Tanya Butler, president; Dan Oliva, credit manager; Kevin Lutkins, compliance officer/corporate counsel; and Bryan Hannan, director of national sales.

Receivable — One of the Largest Corporate Assets

The department manages a collection file and works closely with in house and third party legal services that assist with the overall collection process.

Karen Crosby
Credit Analyst
kcrosby@memoco.com

Robin Harner
Credit Clerk
rharner@memoco.com
In 2014, the Information Technology department completed several strategic projects bringing our systems environment into alignment with both current and future needs. Hardware initiatives were undertaken with the goal of future-proofing our infrastructure and bolstering system redundancy wherever possible. Additionally, a number of software initiatives have been implemented or are underway with the goal of improving our product delivery. As always, serving our agents and internal customers is our primary goal. We continue to always be on the lookout for strategic system improvements and other means to deliver improved efficiency in an ever-evolving technological environment.

Our programming team has worked hand in hand with the R&D and Operations staff members of MEMO Financial Services, Inc. (MEMO) to research, develop and integrate new products and lines of business. The IT team continues to work in conjunction with the MEMO compliance team to keep current with regulatory changes in our operating states as well as federal requirements.

For Pennsylvania Coupon Redemption Services (PCRS), we upgraded several systems and operations through infrastructure and hardware upgrades as well as application refinement.

The future will present many opportunities to continue our efforts to strategically refine our systems and business processes. The IT group looks forward to the coming year during which we will meet new challenges and continue to provide high quality technological services to all of business stakeholders and business partners.

Director of Information Technology
Pete Stuart
pstuart@memoco.com

Information Technology Department Team Members

Brian Grey
Programmer/Analyst
bgrey@memoco.com

Chuck Harber
Enterprise Systems Manager
charber@memoco.com

Steve Orner
Information Systems Specialist
sorner@memoco.com

Scott Thomas
Programmer/Analyst
sthomas@memoco.com
The MEMO Help Desk department was filled with many projects in 2014 that provided a great opportunity for our Help Desk Technicians to further enhance their technical expertise.

We evaluated, tested and successfully launched a pilot program for the new MEMO aXcess platform. The aXcess system gives MEMO agents the ability to provide their customers with multiple services from one computer.

The MEMO Help Desk technicians are training and preparing for the transition of the thick client network to a cloud based version of MEMO aXcess. The new system will be rolled out using the cloud technology that provides more reliability for a real-time application.

Additionally, the new MEMO aXcess platform gives the Help Desk technicians the added advantage of being able to instantly analyze and repair a computer remotely, as opposed to troubleshooting with the agent. The aXcess system also gives MEMO the ability to video conference with our agents to provide instant and unsurpassed technical support. The agents will have instructional videos on the aXcess computer that is designed to give them another convenient and user friendly option.

The Help desk staff is comprised of four technical experts who, in 2014, handled more than 8,000 calls from MEMO agents through call center technical support. There were more than 1,900 money order dispensers repaired, as well as bill payment computers.

We appreciate the confidence the agents have in our technical expertise and look forward to providing the support in the future.
PFMA Receives Excellence Award

PFMA received a United Way Campaign Excellence Award for an increase in charitable giving participation for 2013.

PFMA’s United Way Committee (L to R): Tonia Milliken, Lesa Althoff, Gail Bryner, Chanell Harris and Shelley Harris planned fund raising events to provide even more support for the United Way.

Holiday Party Caps Successful Year

PFMA, MEMO and PCRS staff enjoyed a holiday party at the Sheraton in Harrisburg on December 5.

Left, PFMA President & CEO David McCorkle welcomes staff and their guests to the holiday party as event planners Tanya Butler and Autumn Thomas look on.

McCorkle recognized employees with service of five, 10, 15 and 20 years.

Left, A PFMA ice sculpture and candy favor table were a huge hit with the guests.

PFMA Recognizes Employee Service

The Pennsylvania Food Merchants Association, Pennsylvania Coupon Redemption Services, Inc. and MEMO Financial Services, Inc., are fortunate to have many long-term staff members. We were pleased the recognize the following individuals for their service in 2014.

25 Years

Credit Manager
Dan Oliva
doliva@memoco.com

Director of Communications & Media Relations
Elizabeth Peroni eperoni@pfma.net

20 Years

Accounting Human Resource Manager
Gail Bryner gbryner@pfma.net

Ten Years

Corporate Counsel
Kevin Lutkins klutkins@memoco.com

Five Years

Operations Coordinator
Angela Beck abeck@memoco.com

Credit Clerk
Robin Harner rharner@memoco.com

Sales Coordinator
Brenda Hicks bhicks@memoco.com

Bilingual Operations Coordinator
Wendy Shunk wspunk@memoco.com

Bilingual Imaging Clerk
Jeanette Tagliaferro jtagliaferro@memoco.com
PFMA Committees Provide Members Opportunities to Get Involved

PFMA committee members stay current on issues via staff and may be called upon to contact legislators and/or state officials about food industry concerns. The following committees meet throughout the year either in person or via conference call. All committees review and discuss current legislation affecting the industry, discuss possible action and strategies for dealing with these issues and suggest policies and direction for the PFMA Government Relations Department.

**Committees**

**Legislative Committee** – Discusses issues such as the impact of 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. Group includes Philadelphia and Alcohol Sales Task Force subcommittees.

**FoodPAC Committee** – Plans and participates in annual fundraising activities for PFMA’s political action committee (PAC). Promotes and protects the needs and interests of the food industry through political action, such as supporting public office candidates who are in general agreement with the committee’s objectives. The group approves such activities in accordance with federal and state laws governing election campaign funding.

**Food Protection Committee** – Discusses Pennsylvania laws and regulations including the Food Code, Food Employee Certification Act, Country-of-Origin labeling, FDA Food Safety Modernization Act rules, promoting Good Agriculture and Handling Practices trainings for growers (GHP/GAP), agro-terrorism and more. The committee works closely with the Pennsylvania Department of Agriculture on a regular basis.

**Loss Prevention Committee** – Discusses issues such as organized retail crime, shared crime reporting, counterfeit bill technologies, retail theft penalty legislation, law enforcement education initiatives, skimming and Point of Sale breaches, associate awareness programs and store security strategies. The committee works closely with law enforcement officials.

**PA Pharmacy Council** – Addresses issues in the retail pharmacy industry such as pharmacy technician certification, pharmaceutical accountability monitoring (PAMS), real-time tracking of ephedrine/pseudoephedrine purchases, injectable medications and immunizations, Affordable Care Act (ACA) and Medicaid reimbursement rates.

**PennDOT Work Group** – This group was established to review PennDOT policies and practices relating to the issuance of Highway Occupancy Permits and other land use and development issues. Following discussion with PennDOT officials, local government representatives, developers and other stakeholders have developed alternative methods for streamlining the permitting process.

**Fuels Committee** — This committee discusses legislative and regulatory issues concerning the storage and sale of motor fuels such as seasonal gas boutique fuels, alternative fuels, octane testing, fuel point of sale transaction clearing, fuel taxes, fuel sales waivers during an emergency, pipeline supply obstacles, underground storage tank cleanup funding and more.

For more information on PFMA’s Committees or to participate, contact Steve Neidlinger at 800-543-8207 x5922 or email him at sneidlinger@pfma.net.

**Committee Chairmen**

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<thead>
<tr>
<th>Committee</th>
<th>Chairman</th>
<th>Position/Company</th>
<th>City, State</th>
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<tr>
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<td>Steve Oswald</td>
<td>Wakefern Food Corp.</td>
<td>Elizabeth, NJ</td>
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<td>Gabe Olives</td>
<td>Rutter’s Farm Stores</td>
<td>York, PA</td>
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<td>Lou Mola</td>
<td>Wawa, Inc.</td>
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<td>Paul Granger</td>
<td>C&amp;S Wholesale Grocers</td>
<td>Robesonia, PA</td>
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Advocating the views of convenience stores, supermarkets, independent grocers, wholesalers and consumer product vendors.